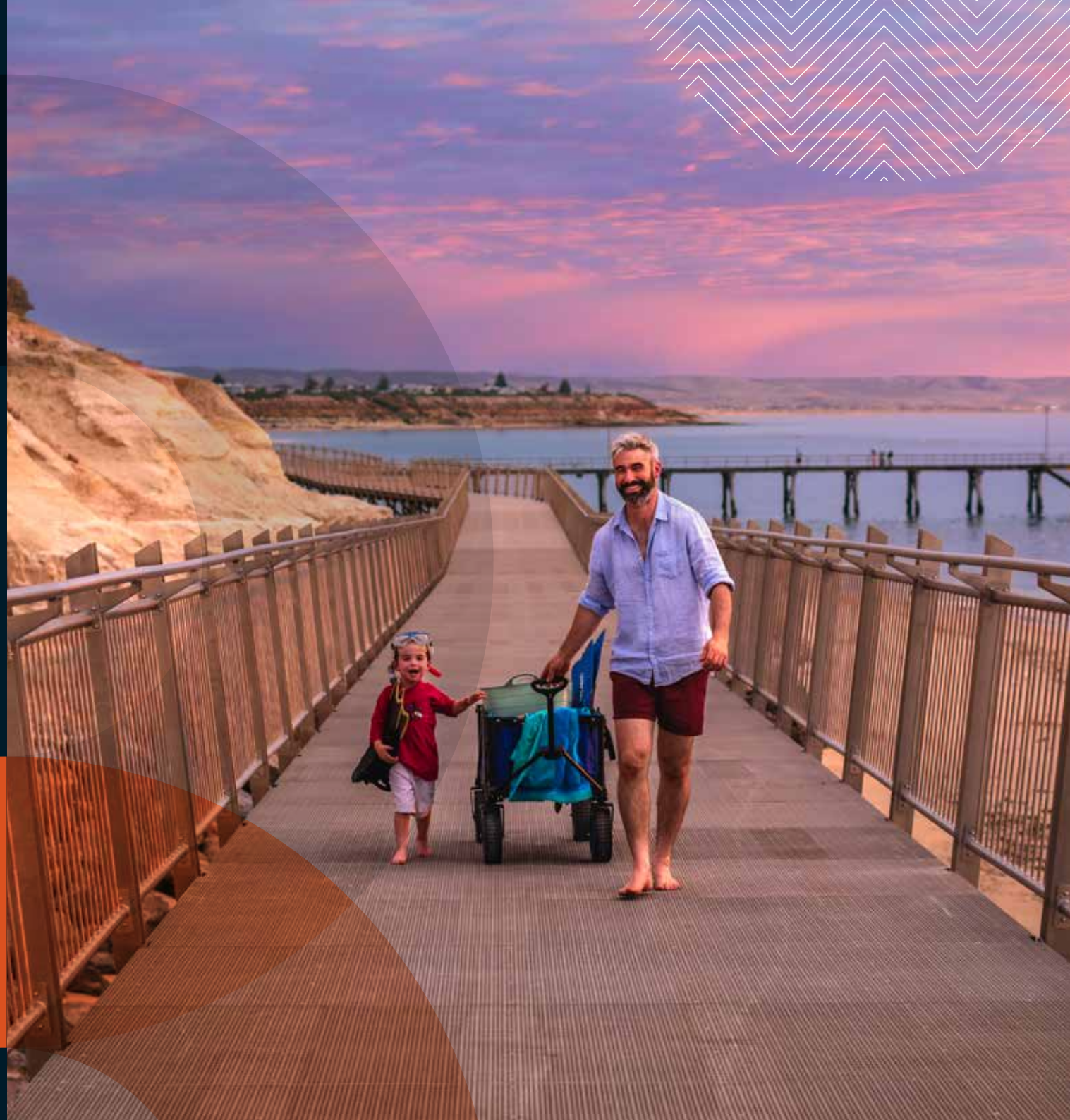


# Draft Annual Business Plan and Budget 2025–26

Working towards the  
*Community Vision 2034*





# Acknowledgement of Country

---

We acknowledge the Kurna Nation and its people as the traditional owners and custodians of the area now known as the City of Onkaparinga.

We recognise that this local living culture has developed over tens of thousands of years and that in today's contemporary context, Kurna and other Aboriginal people are actively engaged in community life and bring their rich cultural heritage to the connected community and sustainable future we aspire to.

We are mindful of Kurna people's spiritual relationship with Country when we make decisions about our region and that protecting places of importance to Kurna culture has an impact on the wellbeing and prosperity of Kurna and other Aboriginal people.

We recognise our important opportunity to facilitate positive change in the way the community works together across Aboriginal communities, non-Aboriginal communities, local businesses, and service agencies, by actively engaging in a shared journey towards reconciliation.

In delivering projects, programs and services it is important to fulfil this acknowledgment through real action to achieve community outcomes that are informed by Kurna perspectives.



# Contents

Common terms .....	4	<b>Budget 2025–26</b> .....	39
<b>From the mayor</b> .....	5	Our budget .....	40
Elected members .....	6	Financial planning process .....	42
<b>About the City of Onkaparinga</b> .....	7	Key financial indicators .....	44
What we do .....	9	Community wastewater management systems (CWMS) .....	45
<b>Our Strategy</b> .....	11	Southern Region Waste Resource Authority (SRWRA) .....	45
How we plan .....	12	Rating Policy overview .....	46
Council’s supporting plans .....	14	Your council rates explained.....	49
Community Vision .....	15	<b>Appendices</b>	
Your voice .....	16	1–7 Draft budget appendices	
<b>Annual Business Plan</b> .....	18	8 Long Term Financial Plan update	
Draft Annual Business Plan and Budget 2025–26 Snapshot .....	19	9 Draft statements on expected rate revenue appendices	
Highlights of year ahead .....	20	10 Draft Rating Policy	
Developing our Annual Business Plan .....	21	11 ESCOSA local government advice	
What we will deliver .....	22	12 ESCOSA recommendations and council response	
Our priorities .....	23		
Our services, projects and programs .....	27		
Measuring our performance .....	37		

# Common terms

---

Term	Definition
The Act	Refers to the <i>Local Government Act 1999</i> .
Annual Report	A report of the council's operations of the previous financial year and contains a report of operations, audited financial statements and an audited performance statement.
Budget	A financial plan setting out the organisation's projected income and expenditure required to deliver services and projects for the financial year.
Community Vision	A community plan prepared by the council under section 122 of the <i>Local Government Act 1999</i> . This document sets out the community's 10 year vision and sits at the top of the council's strategic planning framework.
Capital works	Significant construction, renovation or maintenance projects aimed at creating or improving long-term assets.
CPI	Consumer price index
Department	Work areas within the council.
ESCOSA	Essential Services Commission of South Australia
Financial sustainability	The ability to consistently manage the organisation's financial resources, ensuring long-term stability and the continued provision of services without impacting negatively on ratepayers.
Financial year	Twelve month reporting period from 1 July to 30 June.
Infrastructure	Property, plant and equipment, excluding land.
Key activities	Forward goals assigned for the following financial year in line with the Community Vision goals.
LTFP	Long Term Financial Plan
Rating Policy	A rating policy is the process by which the council's rate structure is established and how the total income – generated through rates and charges – is allocated across properties in the municipality.
SAMP	Strategic Asset Management Plan

# From the mayor

---

## On behalf of the elected members, I'm pleased to present the draft Annual Business Plan and Budget for 2025–26.

This is a time to both reflect on our progress and stay focused on the future.

Last year's challenging decisions have ensured our long-term financial sustainability. We know those decisions had an impact on community. But, thanks to those decisions, we're now in a stronger position moving forward.

This year's budget has been shaped by your feedback, and we're committed to balancing financial responsibility with the delivery of services and projects that matter most to you.

We are proposing a rate increase in line with the Consumer Price Index, ensuring we can maintain essential services within budget while keeping rates affordable.

Key priorities for the year ahead include investment in roads, open space and traffic management.

We are undertaking six major road renewal projects, valued at approximately \$8.4 million, and commence delivering the Open Space Strategic Management Plan 2025–30.

Major projects include the continuation of the Hopgood Theatre refurbishment and the renewal of the Noarlunga Aquatic Centre. These works will transform these much-loved community facilities for generations to come.

Protecting our environment and coastline also remains a focus. This includes repairs and upgrades to the Christies Beach seawall, renewal of the Christies Beach sand groyne, and upgrades to the Port Noarlunga jetty.

These projects, along with the Climate Change Response Plan 2022–27 and Coastal Adaptation Action Plan 2024–30, will ensure our city remains resilient to future challenges.

We will also complete the final stage of the Witton Bluff Base Trail, at Christies Beach.

These initiatives are just a snapshot of what's ahead, with every project contributing to realising the long-term goals of the Community Vision 2034, as told to us by our residents.

As we look to the future, our financial strategy remains clear—continuing to work towards a sustainable position while addressing ESCOSA's findings. More information on this can be found in appendix 12.

I encourage you to review the draft plan and share your feedback during the community engagement period. Your input is invaluable as we work together to shape a better future for Onkaparinga.

**Moira Were AM**  
Mayor, City of Onkaparinga



# Elected members

---

---

## Mayor



Moira Were AM

## Knox ward



Heidi Greaves



Colt Stafford

## Pimpala ward



Michael Fisher



Kim Davis

## South Coast ward



Lauren Jew



Paul Yeomans

---

## Mid Coast ward



Dan Platten



Gretel Wilkes



Marisa Bell



Jordan Pritchard

## Southern Vales ward

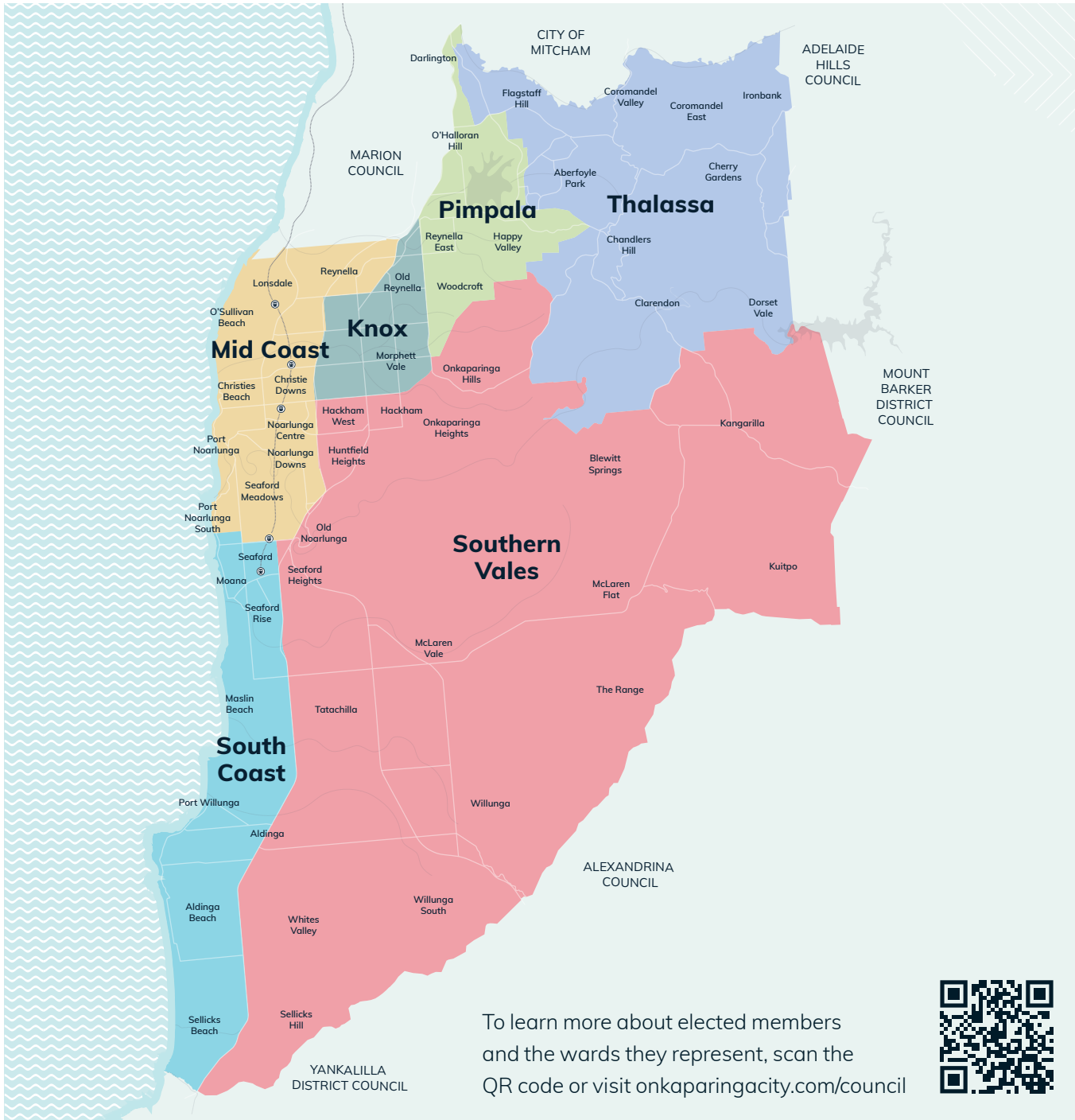
## Thalassa ward



Geoff Eaton



Marion Themeliotis



**About the  
City of  
Onkaparinga**

To learn more about elected members and the wards they represent, scan the QR code or visit [onkaparingacity.com/council](http://onkaparingacity.com/council)



# About the City of Onkaparinga



The City of Onkaparinga is South Australia's largest council, home to a population of more than 182,821 residents. Extending over 518km<sup>2</sup>, it's also the state's largest metropolitan council by land size.

The city is known for its blend of urban vibrancy and rural charm, with stunning natural landscapes comprising rolling hills, lush vineyards, expansive agricultural plains, national parks and 31km of pristine coastline.

With over 84,000 rateable properties across five major categories – residential, commercial and industrial, primary production, industry and vacant land – the city is a dynamic and diverse place to live, work and visit.

An unmatched combination of attributes and attractions sets Onkaparinga apart – from plentiful public open spaces and recreational areas, and creative and cultural communities, to a variety of industrial areas, commercial precincts, community centres and facilities.



## City of Onkaparinga snapshot

**7.9%**

of the population is aged 18–24 years

**26%**

of the population is aged 60+

**0.87%**

increase in rateable properties

**\$6.61 billion**

thriving economy

**90,000+**

people work in Onkaparinga

**10,000+**

local businesses

**1.5 million**

visitors each year

**1384km**

sealed road network

**1322km**

path network



# What we do

We provide a broad range of services and facilities to the community and conduct regular work to maintain, renew and develop our assets as described in the 2024–25 highlights provided below:

**1894Ha**  
of our open space network under maintenance

**203**  
hard courts (tennis, basketball) under our maintenance

**31**  
turf ovals under our maintenance

**466**  
buildings maintained to ensure they are safe, functional and presentable for users and are in keeping with legislative requirements, lease agreements and agreed standards

**73**  
public toilets maintained daily, which includes a total of 231 toilet pans and 47 urinals

**230 mega litres**  
of recycled water supplied for open space irrigation through our recycled water networks

**530 mega litres**  
of wastewater received in our CWMS network

**6.8 million**  
kerbside bins collected each year

**1500+**  
building inspections including swimming pools framing and fire safety compliance

**\$700 million**  
value of development assessed within the City of Onkaparinga

**12,000+**  
signs manufactured and installed

**592**  
high-risk food businesses inspected

**180,000+**  
customer enquiries received

**798,000+**  
people engaged via our website, Onkaparinga Now and social media

**25,000+**  
native vegetation seedlings produced in our nursery for site restoration and rehabilitation

**25%**  
increase in residents participating in the Adopt a Tree Program, to almost 380 trees in 2024



**250**  
nature education sessions across nearly  
50 schools involving over 3500 students  
and over 300 community members

**380**  
new citizens welcomed

**113,000**  
visits to our four recreation centres



**300**  
local community sport and active recreation clubs

**35,000**  
attendances at youth programs and centres

**220,180**  
attendances at community centres

**66,372**  
hours of volunteering in council-managed  
community centres

**42,050**  
hours of service to older people  
and people with disability

**658,000+**  
library visits by customers

**21,000**  
community transport trips



**40+**  
community organisations supported with grant  
applications to organisations other than council

**46,652**  
attendances at our council-managed community halls

**35,725**  
attendances at arts centres and programs

**53,000**  
rounds of golf played at Willunga Golf Course

**172,000+**  
attendances at our major events

**13,788**  
public votes for 505 businesses as part of  
the Onkaparinga Business Awards

**\$959,815**  
economic impact from almost 10,000 visitors  
to Encore Winter 2024 activation program

**90,000+**  
domestic and international visitors to the  
McLaren Vale and Fleurieu Coast Visitor Centre

**14%**  
increase in nights booked at our tourist parks

**91,755**  
council records registered



## Our strategy

Our strategic direction is framed by our opportunities, priorities, challenges and community aspirations to achieve the goals set out in the Community Vision 2034.

The four themes – community, environment, liveability and leadership – guide our collective action to help us build a connected community and sustainable future.

# How we plan

## All our strategies and plans are guided by the Community Vision 2034.

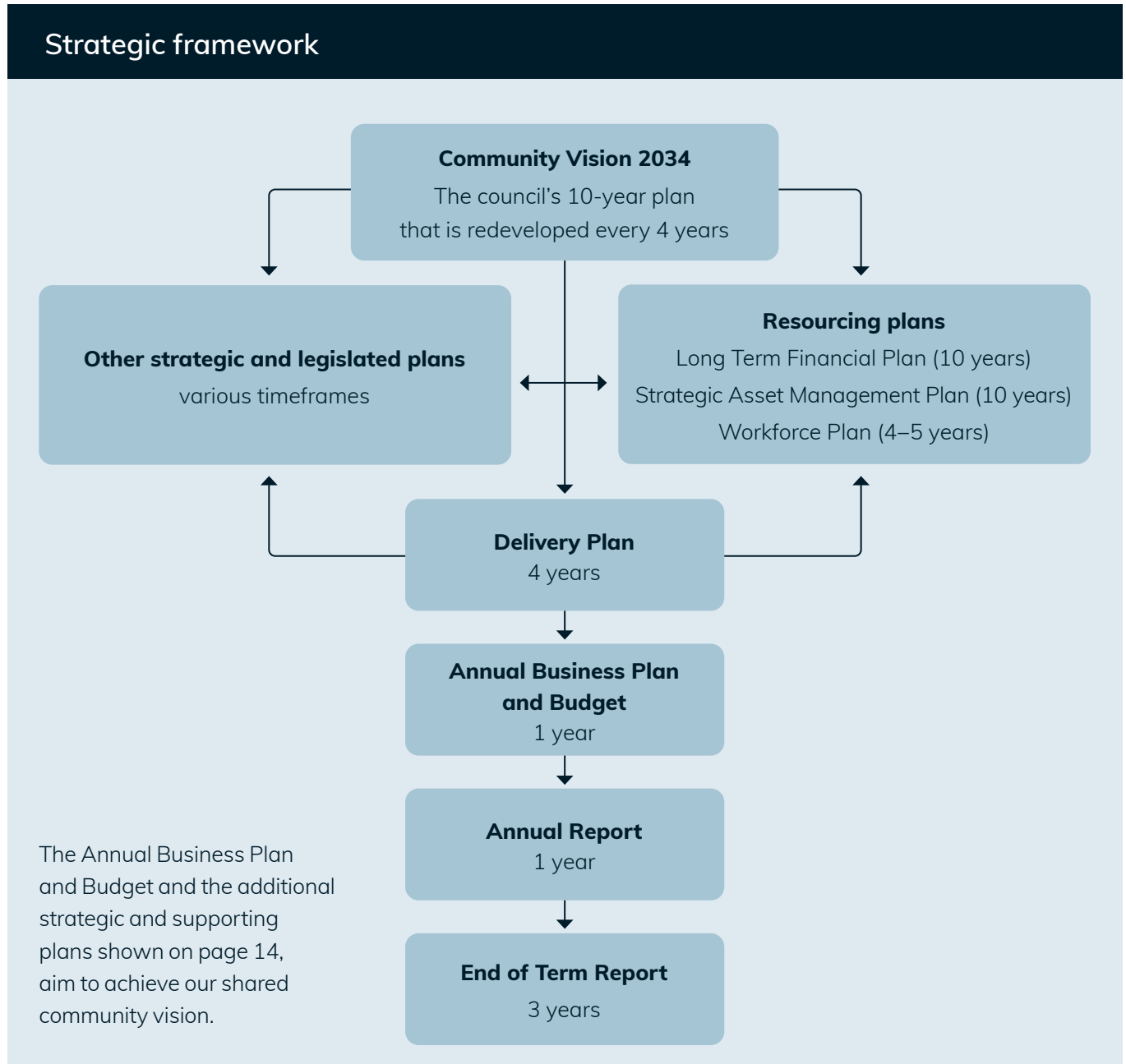
The Community Vision is the community's 10-year vision for the City of Onkaparinga and sits at the top of a planning framework, guiding the strategies and action plans of the council. It describes the community's vision about what's important now and in the future.

Investment decisions are guided by the Long Term Financial Plan (LTFP) and the Strategic Asset Management Plan (SAMP) as depicted in the diagram opposite. Another aspect to our planning is mapping out how we will deliver priority actions to drive progress toward the Community Vision over a 2–4 year timeframe, within councils' roles and organisational resources.

The Annual Business Plan and Budget is the next step in our strategic planning framework. It determines the key activities and projects to be delivered in 2025–26.

Much of the work we deliver is governed by legislative and regulatory obligations. The lead legislation is the *Local Government Act 1999*. We are required to fulfil important ongoing roles in the community and report on compliance each year in our Annual Report. Systems and processes within the council ensure we meet our obligations under acts that include the *Planning, Development and Infrastructure Act 2016*, *Local Nuisance and Litter Control Act 2016*, *Fire and Emergency Services Act 2005*, and the *Dog and Cat Management Act 1995*.

To view our strategic plans visit [onkaparingacity.com/documents](http://onkaparingacity.com/documents)



# Plans in progress during 2025–26



## In 2025–26, we are focussed on delivering actions and making progress against these plans:

- **Climate Change Response Plan 2022–27**  
Building on our strong track-record of practical, on-ground action to drive lasting change, delivery of actions from the plan will address climate-smart neighbourhoods, climate-ready communities, climate-resilient natural areas, a transition to low carbon and climate-risk reduction. Our transition to low carbon operations is supported by our Towards Zero Corporate Emissions Roadmap.
- **Open Space Strategic Management Plan 2025–30**  
The Open Space Strategic Management Plan (OSSMP) guides how we sustainably plan our open space (including playgrounds) and endeavours to provide diverse, connected open spaces equitably across the city to meet current and future community needs. It sets the principles, planning and direction for future provision, development and maintenance of the open space network.
- **Coastal Adaptation Action Plan 2024–30**  
Our Coastal Adaptation Plan details what we will do from 2024 to 2030 to anticipate and respond to risks to our coast arising from climate change and sea-level rise. The plan will help us achieve our vision of a coastline that is beautiful, healthy, resilient, safe and cared for by all.



- **Regional Public Health Plan 2022–27**  
Under the South Australian Public Health Act 2011, councils are required to prepare and maintain a Regional Public Health Plan that demonstrates what is being delivered in relation to public health, at the local level and to be consistent with the statewide plan for public health. Our plan presents a snapshot of the City of Onkaparinga's characteristics, public health status, and outlines the key programs, services and actions that will be implemented over the next five years to address the public health issues in the region.

## Plans under development include:

- Affordable Housing Strategy
- Economic Growth and Tourism Strategic Plan
- Reconciliation Action Plan – Innovate

## Plans under review:

- Animal Management Plan
- Community Capacity Strategic Plan
- Inclusive Communities Action Plan
- Onkaparinga Local Area Plan
- Road Network Plan
- Sport and Active Recreation Action Plan
- Waste and Recycling Strategic Plan

# Council's supporting plans

Our other strategic and supporting plans also reflect the Community Vision 2034 and include:

Community Vision 2034 themes

Plan	Community	Environment	Liveability	Leadership
Advocacy Plan	✓	✓	✓	✓
Animal Management Plan*	✓	✓		
Arts and Cultural Development Action Plan	✓			✓
Climate Change Response Plan		✓	✓	
Coastal Adaptation Plan		✓	✓	
Community Capacity Strategic Plan*	✓			
Economic Growth and Tourism Strategic Plan*			✓	✓
Inclusive Communities Action Plan	✓			
Onkaparinga Local Area Plan			✓	
Open Space Strategic Management Plan			✓	
Reconciliation Action Plan - Innovate*				✓
Regional Public Health Plan	✓		✓	✓
Resilient South Regional Climate Action Plan		✓		
Road Network Plan*			✓	
Sellicks Beach Structure Plan			✓	
Sport and Active Recreation Action Plan*	✓			
Trails and Cycling Strategic Plan			✓	
Waste and Recycling Strategic Plan*		✓		

\* Plan is under development or review

# Community Vision 2034

## Connected community, sustainable future

The Community Vision 2034, is our primary planning document, setting Onkaparinga's strategic direction for the next 10 years.

Built on insights from 5329 residents, the Community Vision reflects a desire to protect and enhance what's unique about our beautiful city, fostering a connected and healthy community that can continue to enjoy what it offers.

Developed with broad and deep community input, the vision outlines four themes – community, environment, liveability and leadership – described on page 16, along with eight key result areas, and 32 goals to guide collective action over the next decade.

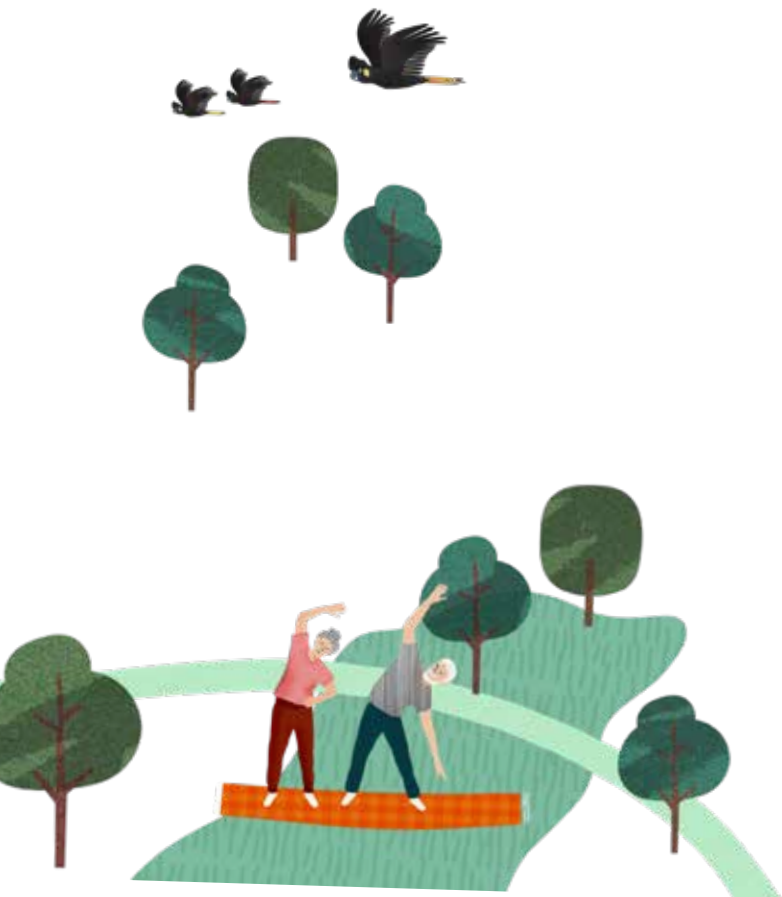


To read the Community Vision 2034, scan the QR code below or visit [onkaparingacity.com/vision](https://onkaparingacity.com/vision)



# Community Vision themes

The Community Vision's themes provide the framework for the Annual Business Plan 2025–26's key activities, demonstrating the many ways that the council contributes to achieving a connected community and a sustainable future.



## Community

### Vision statement

It's friendly here. People connect with each other across a range of celebrated differences. No matter what age, ability, gender or cultural identity, there are things to do, safe places to go, groups to join, arts to experience, opportunities to learn, and ways to be active. Everyone has the capacity to look after their personal and collective wellbeing and, when times are tough, find support.

### Key result area

- Healthy, thriving people
- Connected, supportive communities

## Environment

### Vision statement

It's easy to live locally here. It looks and feels amazing, from the coastline to the rolling hills, vineyards and abundant trees. The natural world is respected and full of life. This is a clean, attractive, well-kept place where outdoor spaces are cared for with new and ancient approaches. There is resilience to the impacts of a changing climate and hope for the future.

### Key result area

- Resourceful, resilient living
- Valued natural world

## Liveability

### Vision statement

People can comfortably make their home here. There are plenty of opportunities to work, build businesses and think creatively about how the local economy grows. Visitors love to enjoy what's on offer too. There's affordable housing to buy or rent and enough space for children to play, shady trees to cool our streets, and natural places to connect communities for a sustainable future. People can easily walk or ride to the places they want to be.

### Key result area

- Great places
- Strong local economies

## Leadership

### Vision statement

This place is known for its foresight. People feel confident to speak up and trust their views will be listened to, even if they don't have the loudest voice. The knowledge and heritage of those who have come before us is acknowledged and respected. It is easy to find reliable information about the region. There is trust in those who represent us, opportunities to participate in decision-making, and a shared commitment to creating a future everyone benefits from.

### Key result area

- Strong community voice
- Impact and trust

# Your voice

Each year we undertake a community survey where we ask residents to share their experiences of living in the City of Onkaparinga.

In 2024, 1920 residents responded to questions about what is most important to them and what they value most about their local community. Year to year, this information identifies trends in the community's priorities and helps inform decision making on the kinds of programs we offer and services we deliver.

A summary of the 2024 feedback is available at [onkaparingacity.com/youresay](https://onkaparingacity.com/youresay)

Here are a few highlights.



**87.9%**

try to support and shop at local businesses as much as they can

**83.1%**

agree that their local neighbourhood is a good place to live

**51%**

walked to a destination instead of driving a car at least once a fortnight

**66.8%**

utilised open spaces to participate in informal exercise

**59%**

agree that they are personally willing to take action on climate change



**29.3%**

experienced moderate or severe food insecurity in the last year

**14.4%**

agree that the rate of housing growth in the Onkaparinga council is enough to meet housing needs for the community

**94%**

attended at least one arts event in the last year

**74.3%**

experienced difficulties accessing mental health services

**56.1%**

participated in a community group



## Our Annual Business Plan

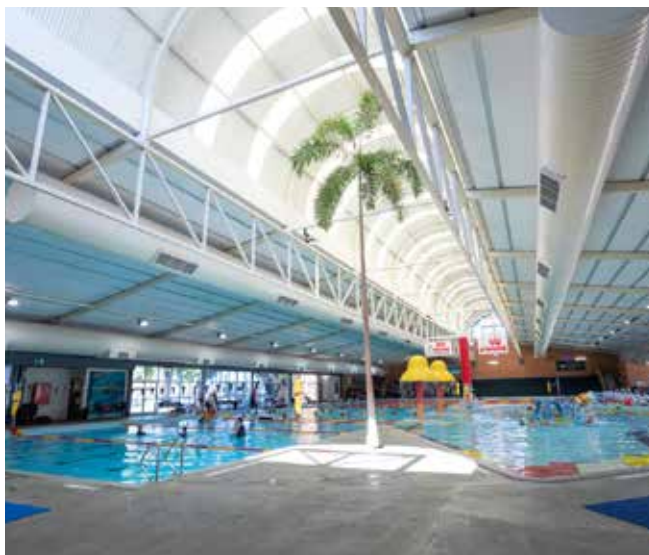
The Annual Business Plan and Budget 2025–26 outlines the programs, services and projects we will deliver this year.

# Draft Annual Business Plan and Budget 2025–26 Snapshot

This snapshot provides an overview of what makes up council’s 2025–26 budget, and how it will be spent.

This year’s budget is **\$245.05 million**

For every \$100 spent,  
we provide the following services



## What will we deliver?

We will continue to deliver services and programs to support the community, businesses and visitors including waste collection, road reseals, library services, food inspections, assessing planning applications through to dog and cat management, and so much more.

We also deliver key projects that set direction, support policy development, and renew and build on our valuable assets.

We encourage you to read the full Annual Business Plan and Budget to better understand how funds will be spent over the next 12 months.

## How will it be funded?

Our budget of \$245.05 million will be funded through council rates (72.9 per cent), state and federal grants (11.3 per cent), borrowings (1.8 per cent), and a range of other sources (14.0 per cent).

The total draft rate revenue increase for 2025–26 is aligned to below December CPI, at 2.49 per cent. We will also receive additional rates from new properties, known as growth. The rate revenue increase will be updated to reflect the March CPI prior to adoption.



Roads, footpaths, lights, bridges and carparks	<b>\$21.59</b>
Council buildings – maintenance and upgrades	<b>\$17.64</b>
Libraries and community services	<b>\$13.42</b>
Parks, open space and the coast	<b>\$11.42</b>
Waste and recycling services	<b>\$11.92</b>
Community safety, planning and regulatory services	<b>\$8.42</b>
Stormwater and community wastewater management systems (CWMS)*	<b>\$6.01</b>
Recreation services and tourist parks	<b>\$2.79</b>
Strategy, sustainability and tourism	<b>\$2.89</b>
Communications and engagement	<b>\$2.02</b>
Council vehicles and equipment	<b>\$1.88</b>

\*Stormwater services are city-wide. CWMS services Clarendon, Morphett Vale, McLaren Flat, McLaren Vale, Willunga, Maslin Beach and Sellicks Beach and are funded through a separate service charge, applicable only to residents connected to one of the above CWMS services.

## Highlights for the year ahead

Undertake **six road renewal projects** to the value of approximately \$8.4 million. These reconstructions include Collins Parade at Hackham, Norman Road at Aldinga Beach, Windemere Court at Woodcroft, Bains Road at Woodcroft, Abebe Court at Morphett Vale and Alice and Carol Crescents at Morphett Vale. In addition, reseal approximately 22.7km of roads through our annual Road Reseal Program.

Commence on-site work and monitoring at Panalatinga and Serpentine Creeks (project 1) and continue design for and onsite work at Sauerbier and Homestead Creeks (project 2) as part of the **Urban Creek Resilience and Recovery Project**.

Roll out the revised **Onkaparinga Grants program** to support community-led initiatives and build capacity for community groups, business and individuals.

Deliver our **major events** – Trucks on Tour, Christmas Pageant, Beachside Food and Wine Festival, Australia Day Family Fair and hosted stages of the Tour Down Under.

Continue the **Hopgood Theatre refurbishment** which includes painting, floor renewal, asbestos removal and new seating.

Undertake renewal works at the **Noarlunga Aquatic Centre** including roof refurbishment, internal painting and relining of the pool shell. This project has a federal government funding of \$5.4 million through the Thriving Suburbs Program. Works will include new solar panels and water filtration plan that will reduce the centre's environmental impact such as reductions in water and chemical usage and overall energy consumption.

Complete stage 2 of the irrigation renewal at the **Willunga Golf Course** and renew the bridge at hole 7.

Renew our **urban forest and increase canopy cover** through tree production, planting and watering.

Deliver Traditional Owners and **First Nations people annual arts events** in collaboration with Neporendi Aboriginal Community Centre.

Expand the **Roger Rasheed Sports Foundation** free sport and recreation program to identified areas of need.

**Renew playgrounds** at Marita Street (Emu Park) at Morphett Vale, Greengate Grove reserve at Hackham and Kimberley Fountain reserve at Happy Valley as part of the Open Space Strategic Management Plan.

Promote active citizenship participation and leadership in our community through the annual **youth leadership** program and **Leadership Onkaparinga**.

Advocate for priority economic, sustainability and community outcomes for the **Port Stanvac Code Amendment**.



Port Stanvac image courtesy of the Government of South Australia

# Developing our Annual Business Plan \_\_\_\_\_

Each year, we carefully plan what we will do and how it will be funded to ensure the best value for our residents and businesses.

Through last year's community engagement for the draft 2024–25 Annual Business Plan, we heard about the importance of reducing rate increases and uncertainty on how rates are calculated. We also heard the importance of focusing on roads; open spaces parks and natural resources; environment and coastal management; waste and recycling and traffic management.

Building on the foundational work undertaken via our three key strategic management plans – the Community Vision, Long Term Financial Plan and Strategic Asset Management Plan – we are committed to making good decisions that balance community needs and financial responsibility.

That means this Annual Business Plan and Budget 2025–26 is focussed on building financial resilience and aligning our work to the Community Vision, so we can keep delivering important services for the community in the years ahead.

## **The Annual Business Plan and Budget 2025–26 includes:**

- our long-term objectives, expressed as outcomes in the Community Vision
- our key activities for 2025–26
- an overview of insights from our Community Survey 2024
- how we measure and monitor our progress
- the financial requirements of council, including our operating expenditure.





# What we will deliver

---

In 2025–26 we will spend \$245.05 million to deliver a wide range of services, programs and projects that keep our city thriving. This comprises:

- \$166.08 million for the services and programs we provide, and the things we maintain for the community every year
- \$56.95 million to fund essential infrastructure renewal, new and upgraded assets and new initiatives for the community and to improve efficiencies
- \$22.02 million to fund loan repayments and interest costs, and payments to the state government for the regional landscape levy which we collect on their behalf.

Here's how we've broken it down, to show what we'll spend the budget on over the coming 12 months.

## **Our key activities**

Our key activities are a selection of the important new work we'll be doing to make progress toward the key result areas and goals in the Community Vision. Read more on page 23.

## **Our services, projects and programs**

Our organisation is made up of five departments which deliver ongoing and new work each year. You can read what each department does and what it costs in this section. Read more on page 27.

## **Measuring our performance**

We track our progress and report on it each year in the Annual Report. You can see the measures and targets we will use to monitor what we deliver. Read more on page 37.

# Our priorities

A brief look at some of the key activities we're delivering this year as we progress towards our objectives in the Community Vision 2034.

## Community Vision 2034 themes

Key activities	Community	Environment	Liveability	Leadership
Undertake renewal works at the <b>Noarlunga Aquatic Centre</b> including roof refurbishment, internal painting and relining of the pool shell. This project has federal government funding of \$5.4 million through the Thriving Suburbs Program.	✓	✓	✓	✓
Undertake a <b>city-wide audit of bowling greens</b> to assess their condition, compliance and operational requirements to help shape a 10-year capital works renewal plan.	✓		✓	
Undertake two <b>BMX track community dig days</b> at Serpentine Reserve at O'Halloran Hill and John Nicholl Reserve at Aldinga Beach, where the community can lead dig days with our support. Coordination of on-site dig days undertaken by a contractor will help upskill attendees on how to build, shape and maintain BMX jumps.	✓		✓	
Complete stage 2 of the irrigation renewal at the <b>Willunga Golf Course</b> and renew the bridge at hole 7.	✓		✓	
Undertake <b>renewal designs for hard courts</b> in Old Noarlunga, Reynella and Clarendon, and at Serpentine Reserve at O'Halloran Hill in preparation for priority advocacy-planned projects.	✓		✓	
Undertake various sports club projects including <b>re-coating the tennis and netball courts</b> at Old Noarlunga, Reynella Sports Ground, Kangarilla Recreation Ground and Happy Valley Sports Park.	✓		✓	
<b>Renew sports lighting</b> at Hackham Football Club soccer oval, Peregrine Park Baseball Club and Morphett Vale Tennis Club.	✓		✓	
Undertake various <b>building renewal projects</b> including improving heating and ensuring amenities are disability-compliant at the Port Noarlunga Soldiers Memorial Bowling Club, and painting, flooring renewal, asbestos removal and air-conditioning replacement at various council-owned buildings.	✓		✓	
Expand the <b>Roger Rasheed Sports Foundation</b> free sport and recreation program to identified areas of need.	✓		✓	

✓ Primary theme alignment    ✓ Secondary theme alignment

Key activities	Community	Environment	Liveability	Leadership
Continue the <b>Hopgood Theatre refurbishment</b> which includes painting, floor renewal, asbestos removal and new seating.	✓		✓	✓
Undertake <b>six road renewal projects</b> to the value of approximately \$8.4 million. These reconstructions include Collins Parade at Hackham, Norman Road at Aldinga Beach, Windemere Court at Woodcroft, Bains Road at Woodcroft, Abebe Court at Morphett Vale and Alice and Carol Crescents at Morphett Vale. In addition, reseal approximately 22.7km of roads through our annual Road Reseal Program.			✓	✓
Undertake phase 1 upgrade works at the <b>Port Noarlunga jetty</b> including reinforcing six jetty pylons and installing/replacing jetty cross beams and whalers.		✓	✓	
Undertake renewal works on the <b>Coast to Vines shared-use path</b> between Bains Road to Wheatsheaf Road and on the Christie Creek Linear Trail at Woodcroft.			✓	
<b>Renew playgrounds</b> at Marita Street (Emu Park) at Morphett Vale, Greengate Grove reserve at Hackham and Kimberley Fountain reserve at Happy Valley as part of the Open Space Strategic Management Plan.	✓		✓	
Introduce <b>new app to assist members with managing their fitness membership accounts and bookings</b> at council's recreation centres.	✓			
Deliver our <b>major events</b> – Trucks on Tour, Christmas Pageant, Beachside Food and Wine Festival, Australia Day Family Fair and hosted stages of the Tour Down Under.	✓		✓	
Deliver an increase in <b>programs for men</b> across Aberfoyle, Aldinga and Seaford Community Centres.	✓			
Establish <b>arts and youth programs</b> at the newly expanded Aberfoyle Community Centre.	✓			
Promote active citizenship participation and leadership in our community through the annual <b>youth leadership program and Leadership Onkaparinga</b> .	✓			
Deliver <b>food security and gardening sessions</b> at positive ageing centres.	✓			
Deliver annual <b>Traditional Owners and First Nations people arts events</b> in collaboration with Neporendi Aboriginal Community Centre.	✓			

✓ Primary theme alignment    ✓ Secondary theme alignment

Key activities	Community	Environment	Liveability	Leadership
Build community awareness of sustainable housing options through programs such as <b>Homes for Tomorrow</b> .		✓		
Review our <b>corporate emissions</b> measurement to better align with the Local Government Association's best practice guide to emissions management for local government in SA.		✓		
Finalise the federally-funded <b>Bushfire Preparedness Project</b> with improved datasets to be available for future prioritisation.	✓	✓		
Undertake a <b>water options analysis</b> to understand how we can maximise the efficiency of our alternative water sources and improve irrigation efficiencies.		✓		
Build on the success of the <b>One Tree Per Child</b> campaign with another tree giveaway event in Aldinga Beach.		✓		
Renew the <b>sand groyne at Christies Beach</b> to maintain sand levels at the base of the Christies Beach Surf Life Saving Club beach access ramp.	✓	✓		
Provide new and upgraded <b>stormwater infrastructure</b> at Sellicks Community Hall, Grange Walk at Morphett Vale, Trafalgar Street at Port Noarlunga, Glenloth Reserve at Happy Valley, and Alice Crescent and Carol Crescent at Morphett Vale, as well as control the erosion at Christie Creek at Morphett Vale and Field River at Woodcroft.		✓		
Manage <b>stormwater overflow</b> at Winter Court at McLaren Flat, install a new trash rack in Emu Creek Channel and Collins Parade at Hackham, and install gross pollutant traps at stormwater discharge points into Pedler Creek at McLaren Vale and Moana.		✓		
Commence on-site work and monitoring at Panalatinga and Serpentine Creeks (project 1) and continue design for and onsite work at Sauerbier and Homestead Creeks (project 2) as part of the <b>Urban Creek Resilience and Recovery Project</b> . Both projects have a combined \$7m in federal funding over 5 years.		✓		
Complete the repair and upgrade of 380m of rock wall along the <b>Christies Beach foreshore</b> . Work is funded by us, along with \$600,000 from the Coast Protection Board and \$1.2 million from the federal government's Disaster Ready Fund.		✓		
Renew our <b>urban forest and increase canopy cover</b> through tree production, planting and watering.		✓		

Key activities	Community	Environment	Liveability	Leadership
Advocate for priority economic, sustainability and community outcomes for the <b>Port Stanvac Code Amendment</b> .			✓	
Design a <b>traffic calming scheme</b> for Murrays Hill Road at Coromandel Valley to improve safety at Craighburn Primary School, with potential delivery in 2025–26 (subject to external grant funding).	✓		✓	
Complete the assessment of our <b>name and address register</b> to increase efficiencies and reduce costs of managing hard copy documents.				✓
Finalise the master plan for the <b>Moana Beach Tourist Park</b> , guiding future investment to transform it into a premier tourist destination.	✓		✓	✓
Apply the Community Facilities Guidelines and Social Equity Model – Community Facilities Provision to the strategic provision of council's <b>community facilities network</b> .	✓		✓	
Finalise new management arrangements for the <b>Willunga Golf Course</b> to broaden its community and visitor attraction and increase revenue.	✓	✓	✓	✓
Develop an <b>Affordable Housing Strategy</b> to clarify our role in supporting affordable housing in the city.			✓	✓
Develop <b>Christies Beach Code Amendment</b> to encourage a vibrant economic and social hub.				✓
Update our heritage listings through the <b>Local Heritage Code Amendment</b> .				✓
Report and promote data trends through the <b>community wellbeing indicators</b> in the Community Vision 2034.				✓
Expand trend reporting on the annual <b>Community Survey</b> .				✓
Commence <b>2026 local government election</b> activities.				✓
Roll out the revised <b>Onkaparinga Grants program</b> to support community-led initiatives and build capacity for community groups, business and individuals.	✓	✓	✓	✓
Implement <b>Vision Village</b> workshops to aid organisations in aligning to the Community Vision 2034 through partnership and collaboration.				✓



# Services, projects and programs \_\_\_\_\_

We turn the strategic directions outlined in our Community Vision 2034 and supporting strategies into action through our ongoing services and strategic projects and programs.

Across the organisation, five departments deliver over 40 services to make the city a great place to live, work and visit.

On the following pages is an overview of the ongoing services as well as the projects and programs to be delivered by each department this year.

## Our departments

- Office of Chief Executive
- Community
- Corporate
- Operations
- Planning

# Department: Office of Chief Executive Officer

---

The Office of Chief Executive Officer department manages civic and corporate governance, emergency management and ensures compliance across the council.

## **Civic governance and elected member liaison**

Managing Council meetings, agendas and minutes, providing mayoral and elected member advice and support, and planning and delivering civic events and legislated representation reviews.

## **Corporate governance**

Managing legislative compliance, freedom of information services, escalated complaints and internal reviews, emergency management, risk management and internal audit, insurance, policy monitoring, legal reporting and advice, delegations, and authorisations.

## **Corporate information management**

Managing records and information assets and ensuring legislative compliance. Delivering information assets and electronic content management (ECM) training to staff. Managing the OneCouncil ECM module and corporate reporting. Providing support to the organisation.

## **Emergency management**

Promoting the importance of planning and preparing for emergencies and disasters, working in partnership with key agencies involved in the response to and recovery from emergency events. Addressing identified risks and hazards, protecting the safety and wellbeing of the community, and building community resilience.

Office of CEO – services budget	Income \$m	Expenditure \$m	Net expenditure \$m
Office of the CEO	0.00	0.42	0.42
Governance	0.03	5.72	5.69
<b>Total services category \$m</b>	<b>0.03</b>	<b>6.14</b>	<b>6.11</b>

# Department: **Community**

---

The Community department works alongside community members to ensure we deliver programs and services that enhance peoples' quality of life by meeting local needs, developing capacity and building resilience.

It is responsible for effectively engaging with residents and keeping the community informed about what's happening in the city, as well as delivering major events.

## **Active ageing and disability**

Providing practical support and information to older people, people with a disability and carers through our two positive ageing centres, programs and services that focus on developing skills, independence and social connections.

## **Arts, reconciliation and cultural development**

Enhance arts and cultural experiences by promoting public art, supporting local creative skill development and job growth, fostering inclusive opportunities for people of all backgrounds, ages, and abilities to engage in arts and culture, and contributing to community resilience and wellbeing through artistic initiatives. Enacting the goals outlined in the Reconciliation Action Plan to provide the community with opportunities to engage and increase awareness and respect for local Aboriginal people and culture.

## **Community development**

Working alongside the community and providing places and spaces, such as community centres and halls, for community connection, active participation and skill development with a focus on local neighbourhoods and the priority populations identified in our Community Capacity Strategic Plan.

## **Youth**

Partnering with young people and the broader community to cultivate environments and opportunities that enhance the wellbeing of young people, fostering greater connection, engagement and empowerment.

## **Libraries**

Enriching and strengthening lives by connecting people to library resources and activities in welcoming and inclusive places.

## **Customer relations**

Providing access to our services and information by telephone, online and face-to-face.

## **Active recreation**

Providing active recreation facilities that are safe, welcoming, fit for purpose and meet demand including court sports, gymnasium and group fitness classes to suit all ages and fitness levels.

## **Sport development services**

Supporting community physical activity through participation in sport and active recreation, working with sport and active recreation clubs to build capacity and be safe, welcoming and well-managed, and assisting larger multi-use sporting facilities with governance and operational continual improvement.

## Engagement

Producing clear and objective information and offering genuine opportunities for the community to participate in the council's decision-making process.

## Events

Delivering safe and enjoyable events for the community to enjoy, instilling pride in the region.

## Grants

Providing funding programs for the community that achieve our objectives, support the community's initiatives and encourage community participation.

## Marketing and communications

Developing effective and engaging communications ensuring the community is well informed and involved with our services and activities. Effectively managing our brand to ensure the council is appropriately represented in all promotions and communications.

Community - services budget	Income \$m	Expenditure \$m	Net expenditure \$m
Community capacity*	4.41	12.83	8.42
Libraries, customer relations and recreation	2.71	15.09	12.38
Communication and engagement	0.14	3.80	3.66
<b>Total services category \$m</b>	<b>7.26</b>	<b>31.72</b>	<b>24.46</b>

Community - projects budget	Income \$m	Expenditure \$m	Net expenditure \$m
Community culture and libraries	0.03	0.07	0.04
Strategic planning	0.00	0.02	0.02
<b>Total projects category \$m</b>	<b>0.03</b>	<b>0.09</b>	<b>0.06</b>

\*Community capacity includes active ageing, disability, arts, reconciliation, cultural development, community development and youth as described on page 29.

# Department: **Corporate**

---

The Corporate department supports the operation of the council by partnering with internal stakeholders to deliver services that enable the work of customer-facing teams.

## **Financial strategy**

Implementing financial strategies and systems to help build financial resilience and guide decision-making that supports long-term financial sustainability.

## **Financial accounting**

Provision of accounts payable, payroll, treasury management, fixed asset accounting and taxation compliance services.

## **Financial planning and analysis**

Provision of financial support, analysis and advice through business partnering, development of budgets, budget reviews and forecasts, and preparation of financial reporting.

## **Procurement**

Ensuring purchasing activity and contract management is undertaken in compliance with legislation and public sector standards, and identifying strategic procurement opportunities across the organisation.

## **Revenue**

Administration of the council's rating database and sundry debtors, rates modelling and generation of rates notices, customer service and collections.

## **Business systems**

Managing our computer systems and platforms.

## **Technology support**

Delivering ICT support services to the organisation and managing our technology systems and hardware, along with overseeing various security practices and tools to reduce the risk of cyber threats.

## **Operational excellence**

Undertaking organisational reviews and embedding continuous improvement practices across the organisation to achieve transformative change. Taking carriage of strategic, non-core projects that need additional expertise.

## **Water services**

Managing the operations and strategic direction of the community wastewater management systems (CWMS) and water business unit.

## **Commercial recreation**

Managing the operations and strategic direction of the Willunga Golf Course, Moana Beach Tourist Park and Christies Beach Tourist Park.

## Human resources

Facilitating improved employee outcomes through the provision of strategic workforce planning, volunteer management, industrial relations/employee relations, services and wellbeing programs. Partnering with leaders to foster a productive, engaged and high-performing workforce. Managing human resource and volunteer management information systems and administering people and position data.

## Learning and development

Enhancing employee performance through targeted learning programs, workforce development strategies, and compliance training. Partnering with leaders to identify skill needs, create customised training solutions, and foster continuous improvement. Collaborating across the organisation and with external providers to deliver relevant training that supports operational needs and future growth. Managing learning systems to track development outcomes, ensuring employees have the skills to deliver exceptional service and achieve goals.

## Organisational development

Implementing initiatives to create a more engaged workforce and cultivate a positive culture that empowers employees, promotes innovation and delivers sustainable value to the community.

## Work health and safety

Sustaining or improving our safety management systems to support the health and wellbeing of our workforce, volunteers and the broader community.

Corporate - services budget	Income \$m	Expenditure \$m	Net expenditure \$m
Financial services	0.52	6.20	5.68
ICT	0.00	9.07	9.07
Operational excellence	11.25	8.37	-2.88
People and culture	1.61	8.06	6.45
<b>Total services category \$m</b>	<b>13.38</b>	<b>31.70</b>	<b>18.32</b>

Corporate - projects budget	Income \$m	Expenditure \$m	Net expenditure \$m
CWMS and water business unit	0.00	2.12	2.12
Organisational response	0.00	1.22	1.22
<b>Total projects category \$m</b>	<b>0.00</b>	<b>3.34</b>	<b>3.34</b>

# Department: **Operations**

---

The Operations department plans for, introduces, improves and rejuvenates infrastructure and community assets. The information below summarises the extensive services and assets provided and maintained by this department.

## **Asset protection**

Managing CCTV, security, facility access, and graffiti removal and associated volunteer management.

## **Bridges**

Managing a network of 249 bridges with a value of \$32.3 million.

## **Buildings**

Managing 123 sport and active recreation buildings, and 324 community, commercial and municipal buildings with a value of \$265.5 million.

## **Bus shelters and pads**

Managing 493 bus pads and, in partnership with the Department for Infrastructure and Transport, 282 bus shelters valued at \$5.5 million.

## **Carparks**

Managing 213 sealed carparks and 73 unsealed carparks with a replacement value of \$28.1 million.

## **Coastal assets**

Managing 31km of coastline including boardwalks, beach access stairs, coastal protection structures, coastal fencing, and lookouts with a value of \$25.2 million.

## **Fleet and plant**

Managing 31km of coastline including boardwalks, beach access stairs, coastal protection structures, coastal fencing, and lookouts with a value of \$25.2 million.

## **Lighting**

Managing 1553 council owned lights for paths, trails, sports facilities and carparks, with a value of \$6.6 million. 21,018 unmetered streetlights owned and maintained by SA Power Networks with council funding their operation and maintenance via a tariff.

## **Natural resources**

Renewing the urban forest and increase tree canopy cover and safety through production, maintenance, planting and establishment. Maintaining natural areas through weed control, revegetation, and fuel load reduction as well as associated volunteer management programs.

## **Parks/playspaces**

Managing 497 developed reserves, landscaping, paths, furniture, barbecue facilities and seating, with the total value of playspaces at \$12.8 million and parks valued at \$38.2 million. Managing 250 playgrounds, four dog parks (two with separate large and small dog enclosures), and 14 fitness parks.

## **Paths**

Maintaining a \$158 million network of 1322km of paths and 13,259 kerb ramps, providing connectivity through our streets, coast and open spaces.

## Placemaking

Enhancing public spaces to improve the character of an area, preserve local heritage, promote economic development, and manage and respond to urban development.

## Roads

Maintaining a \$1.2 billion network including 2312km of kerbs, 1384km of sealed roads, 137km of unsealed roads, 45km dust sealed roads, and more than 30km of guard rails.

## Sport and active recreation assets

Maintaining 203 hard courts and keyways, 34 cricket playing pitches and practice nets, 313 sport lights, 22 BMX and 14 skate facilities, and 31 turfed ovals/fields, 2 synthetic soccer pitches, 19 bowling greens, and 130 sports fencing sites and perimeter fencing with length of 25,114m, totalling a valued of \$37.3 million.

## Waste management

Collecting kerbside waste, recycling, organics, hard rubbish and illegally dumped rubbish, undertaking street sweeping, and providing waste education.

---

**Services** = ongoing service delivery/maintenance

**Projects** = renewal and upgrades

\*Fleet and plant expenses are charged out across the business and to capital works projects, resulting in a negative expense in this category

Operations - services budget	Income \$m	Expenditure \$m	Net expenditure \$m
Bridges	0.03	0.11	0.08
Buildings	1.34	8.66	7.32
Bus shelters and pads	0.00	0.01	0.01
Carparks	0.03	0.09	0.06
Coastal assets	0.06	0.19	0.13
Fleet and plant *	0.22	-0.81	-1.03
Lighting	0.00	3.63	3.63
Parks/playspaces	0.31	16.90	16.59
Paths	0.14	7.18	7.04
Placemaking	0.00	0.00	0.00
Roads	5.62	8.98	3.36
Sport and active recreation assets	0.26	3.03	2.77
Waste management	1.80	22.42	20.62
Water	0.13	5.09	4.96
<b>Total services category \$m</b>	<b>9.94</b>	<b>75.48</b>	<b>65.54</b>

Operations - projects budget	Income \$m	Expenditure \$m	Net expenditure \$m
Bridges	0.00	0.55	0.55
Buildings	6.92	17.85	10.93
Bus shelters and pads	0.00	0.02	0.02
Carparks	0.00	0.11	0.11
Coastal assets	0.00	0.56	0.56
Commercial assets	0.00	0.16	0.16
Fleet and plant*	0.66	4.35	3.69
Lighting	0.00	0.04	0.04
Parks/playspaces	1.70	3.87	2.17
Paths	0.00	1.03	1.03
Roads	1.40	18.98	17.58
Sport and active recreation	0.18	3.55	3.37
Water	0.00	2.15	2.15
<b>Total projects category \$m</b>	<b>10.86</b>	<b>53.22</b>	<b>42.36</b>

# Department: **Planning**

---

Planning, property, ranger and compliance services are key to the community. Externally focussed, the Planning department drives the organisation's development policy and oversees planning and development applications, assessments and compliance.

The department leads property transactions, community health and community safety services. It also engages with residents in setting the strategic direction of the council and drives environmental sustainability, climate change planning, economic growth and tourism initiatives.

## **Community health**

Managing public and environmental health including the inspection of activities at risk of spreading communicable disease, food safety, public swimming pools, skin penetration operations, high-risk manufactured water systems, onsite wastewater systems, hoarding and squalor. Delivering immunisation services including childhood, adolescent and workplace immunisation programs.

## **Community rangers**

Investigating and responding to reports of non-compliance with the council's by-laws, the *Dog and Cat Management Act 1995*, *Local Nuisance and Litter Control Act 2016*, Australian Road Rules and the *Local Government Act 1999*. Regulating parking controls and working with the community to promote safe parking, particularly around schools, in bus and bicycle lanes, on footpaths, and where an accessibility parking permit is required.

## **Fire prevention**

Working with the community to support bushfire preparedness and ensure private landowners meet their responsibility to reduce bushfire hazards.

## **Property management**

Facilitating all real property transactions for the council's land and property portfolio including acquisitions and disposals, permanent road openings and closings, leasing, licencing, and permits. Managing our six cemeteries including maintenance and improvements. Routinely managing our contaminated land responsibilities to comply with legislation. Coordinating all updates and reviews of our community land register and management plans.

## **Development policy**

Ensuring appropriately planned urban and rural land that balances necessary growth, heritage protection, green tree canopy and environmental considerations, and improves the local economy and lifestyle. Providing technical guidance and policy position for elected members' review and submission to state government and relevant agencies.

## **Planning**

Assessing development applications in accordance with state planning policy, in an accurate and timely manner. Providing quality advice to customers, both preliminary and throughout the assessment process. Providing reports and support to the Council Assessment Panel with recommendations and proposed conditions.

## Development support

Providing initial advice to customers on all aspects of development. Supporting the council's planning, building and development compliance functions including fencing queries and liquor licence applications. Undertaking 'form 1' searches for private property sales.

## Building

Assessing development applications in accordance with state building regulations and the National Construction Code in an accurate and timely manner. Providing quality advice to customers, both preliminary and throughout the assessment process. Undertaking building inspections and ensuring development is undertaken in accordance with relevant authorisations.

## Development compliance

Investigating and responding to reports of development non-compliance with the Planning, Development and Infrastructure Act 2016 the Local Nuisance and Litter Control Act 2016 and our moveable signs by-law.

## Sustainability

Integrating environmental sustainability into our strategies and services, undertaking climate change planning and reporting, providing educational programs and information, and hosting community workshops and events.

Planning - services budget	Income \$m	Expenditure \$m	Net expenditure \$m
Community safety and property	1.14	5.28	4.14
Development services	5.80	9.58	3.78
Strategy, sustainability, economic growth and tourism	2.15	6.18	4.03
<b>Total services category \$m</b>	<b>9.09</b>	<b>21.04</b>	<b>11.95</b>

Planning - projects budget	Income \$m	Expenditure \$m	Net expenditure \$m
Community safety and property	0.00	0.02	0.02
Development services	0.00	0.10	0.10
Strategy, sustainability, economic growth and tourism	0.00	0.18	0.18
<b>Total projects category \$m</b>	<b>0.00</b>	<b>0.30</b>	<b>0.30</b>

## Strategy

Supporting the organisation and the community to plan for the future through informed, evidence-based decisions and implementing our community plan – Community Vision 2034. Advocating to and collaborating with state and federal government to deliver outcomes for our communities through policy and/or funding initiatives. Providing social and cultural planning advice to enable improved community outcomes. Supporting our strategic approach to the provision of council's community facilities network.

## Economic growth and tourism

Creating a prosperous economy that is diverse and innovative, supporting job generation, investment attraction, place and business activation, and building local business capacity. Promoting the region and supporting the local tourism industry to drive visitation growth, create jobs and generate economic prosperity.

# Measuring our performance

Throughout the year we monitor the progress of our key activities and delivery of our services which is then reported on in our Annual Report.

This also helps us monitor progress towards the outcomes of our community plan – the Community Vision 2034. Progress on major projects and initiatives and adherence to the endorsed annual budget is provided through council reports and the quarterly financial reports, available at [onkaparingacity.com](http://onkaparingacity.com)

A sample of some of the ways we track our progress against the Community Vision 2034 key result areas are shown below.

		Community Vision 2034 themes			
Measure	Target	Community	Environment	Liveability	Leadership
Attendances at council-run arts centres	35,725 annually	✓			
Visitations to council-recreation centres and the aquatic centre	113,000 annually*	✓			
Attendance at council-run youth centres and in youth development programs, committees and events	35,000 annually	✓			
Food businesses serving vulnerable populations audited in accordance with their audit frequency and high-risk food businesses inspected in accordance with their inspection frequency	100% audits 90% inspections annually	✓			
Trees planted	4000 annually		✓		
Area treated for invasive weeds	2km annually		✓		
Reduction of council corporate carbon emissions	80% reduction by 2030 from 2010–11 levels and aim for net zero by 2040		✓		
Capital works projects adhering to the Kaurna Cultural Heritage Management for Excavation Works Procedure	100%		✓		
Renewal programs completed for parks, playgrounds and reserves	85–100%			✓	
Use of off-road shared-use path network (pedestrian and cycle passes at fixed counter locations, baseline year)	300,000 annually			✓	

\* Forecast a drop in visitation due to the closure of Noarlunga Aquatic Centre for refurbishment

Measure	Target	Community	Environment	Liveability	Leadership
Southern Business Mentoring Program advisory bookings and service satisfaction rating	160 bookings annually 8/10 satisfaction rating			✓	
New and renewed infrastructure projects approved for delivery in the next 12 months that incorporate elements of water re-use by passive irrigation, groundwater replenishment or other mechanisms	15%			✓	
Average current frequency of street sweeping, and tonnes of debris collected	6–8 weeks average frequency of sweeping 3000 tonnes debris collected annually			✓	
New and renewed footpaths completed	6079 lineal metres			✓	
McLaren Vale and Fleurieu Coast tourism website users and people reached through destination social media activities	120,000 users to website 500,000 social media reach annually			✓	
Contact centre customer experience rating	9/10 average rating				✓
Annual Business Plan key activities on track or complete	85–100%				✓
External competitive grant application success rate and amount of funds awarded	70% success rate \$5 million awarded				✓
Local supplier expenditure and local suppliers engaged	35% expenditure 35% suppliers				✓
Engagement participants reported that providing feedback was easy	75%				✓
Adherence to operating position as per the adopted 2025–26 budget	100%				✓
Attendances at council-run National Reconciliation Week and NAIDOC Week events and activities	2700				✓



## Budget 2025–26

This Annual Business Plan and Budget identifies the broad range of services and projects to be delivered in 2025–26.

# Our budget

---

The focus of this budget is on maintaining our operating surplus position, limiting financial impact on our ratepayers and continuing to build financial resilience.

Following a number of hard decisions in last year's budget – while working towards budget repair – and the adoption of the new Long Term Financial Plan (LTFFP), our current focus is to maintain a positive financial position.

The 2025–26 budget has been developed in line with the LTFFP principles outlined on page 42, with careful review across administration to identify efficiency opportunities. The result is a budget that maintains an operating surplus position for the second year in a row, whilst continuing to deliver a wide range of services and projects that contribute to the achievement of strategic objectives in the Community Vision 2034.

This includes a general rate revenue increase that is below the CPI for Adelaide (at December 2024). CPI will be updated to reflect the March 2025 figure prior to adoption.

The budget reflects an improved position compared to the forecast for 2025–26 in the adopted LTFFP, supported by increased renewal income for capital projects and a change in accounting treatment for intangible assets. The capital works program has been developed largely in line with the allocations in the Strategic Asset Management Plan and LTFFP, which included reduced new and significant upgrade projects for 2025–26.

As outlined in the LTFFP update on page 42, this budget maintains the conditions for ongoing operating surpluses whilst limiting the impact on our community.





## Where the budget comes from and how it is spent

The 2025–26 budget of \$245.05 million includes a proposed general rate revenue of 2.49 per cent, which is below CPI. In addition, rates are also received from new properties (growth), which is required to provide services to an increased population.

The draft Annual Business Plan and Budget is based on the December 2024 CPI figure for Adelaide. This will be updated to reflect the March 2025 CPI for Adelaide prior to budget adoption, which will include an update to the rate revenue increase. The quarterly CPI figures are used rather than the monthly indicators, as these are considered by the Australian Bureau of Statistics to be the primary measure of household inflation. In addition, the quarterly CPI figures are specific to each capital city.

In 2025–26, borrowings are required to be utilised for fixed loan repayments and non-cash backed reserve transfers.

Where the budget comes from	\$m
Rates	178.72
Grants, subsidies and contributions	27.75
User charges	12.69
Other revenue	2.69
Community wastewater management systems	6.25
Statutory charges	4.89
New borrowings	4.34
Transfers from reserves	3.24
Proceeds from disposal of assets	3.66
Reimbursements	0.72
Investments	0.10
<b>Total</b>	<b>245.05</b>

How the budget is spent	\$m
Bridges	0.59
Buildings	26.52
Bus shelters and pads	0.03
Carparks	0.21
Coastal assets	0.75
Commercial assets	0.16
Communication and engagement	3.80
Community capacity	12.85
Community safety and property	9.60
Development services	6.28
Finance charges	7.99
Financial services	6.78
Fleet and plant	3.54
ICT	10.31
Libraries and customer relations	12.45
Lighting	3.68
Loan repayments	5.27
Office of the CEO	6.17
Operational excellence	2.61
Parks/playspaces	20.77
Paths	8.22
People and culture	8.06
Recreation services and tourist parks	5.26
Regional landscape levy	4.00
Roads	27.96
Sport and active recreation assets	6.58
Strategy, sustainability, economic growth and tourism	5.45
Transfer to reserve	4.12
Waste management	22.48
Water business unit and CWMS	5.33
Water	7.23
<b>Total</b>	<b>245.05</b>

# Financial planning process

---

Our long-term financial planning processes are focussed on building financial resilience, so we can deliver on the outcomes set out in our Community Vision and Strategic Asset Management Plan (SAMP).

## Long Term Financial Plan

Following an intensive review of the Long Term Financial Plan (LTFP), a new plan was adopted in November 2024 which contains the following set of principles:

1. Through the Long Term Financial Plan and annual budgeting process, the Council addresses the structural deficit position, transitions to a balanced budget in this Council term and maintains this surplus position going forward.
2. The Council adopts a dollar value debt ceiling when the LTFP is finalised. However additional debt can be accessed for capital investment purposes when there is a financial return to fully cover interest costs and provides a reasonable payback period.
3. Revenue is increased at least in line with consumer price index (CPI) plus revenue from new properties to ensure financial sustainability.
4. The Council actively seeks collaborative opportunities that maximise value for our communities.
5. The Council decreases its reliance on rates by increasing revenue from alternative sources.

This LTFP set out updated capital works requirements as well as an updated debt ceiling.

As part of the 2025–26 budget development process, the LTFP has been reviewed and updated to reflect the new budget as well as any other changes in assumptions and inputs.

Key changes made to the updated LTFP include:

- Recognising the impacts of reduced CPI in 2025-26 compared to the forecast in the LTFP
- Capturing the change in accounting treatment for previously recognised intangible assets and the associated impacts to amortisation
- Including an allowance for the carry forward of project budgets each year from 2025-26.

The updated LTFP maintains a surplus operating position and reduction of debt over the next 10 years. Further information about the LTFP assumptions, financial indicators and financial statements can be found in appendix 8.

## Asset management

The Strategic Asset Management Plan (SAMP) provides an overview of our capital assets, how they are performing, the service levels provided, goals and objectives, areas for improvement, and financial position. It also indicates how we manage assets to align with the community's goals and objectives, and strategic goals of the organisation.

The SAMP is reviewed and updated every year, and the projected financial requirements must align to those within the LTFP. This is to ensure budgets are allocated to achieve the objectives and needs identified in the SAMP, and that any budget shortfalls, pressures or opportunities are reflected and identified in both plans.

## Debt levels

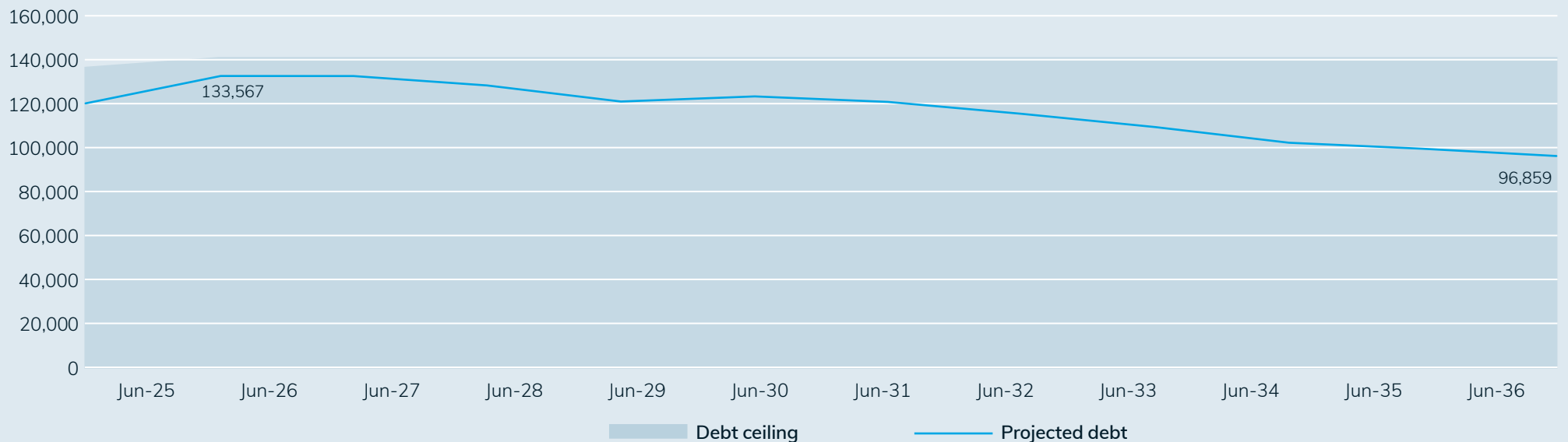
The City of Onkaparinga is a growth council with more urban development planned over the next 20 years. The second LTFP principle recognises the need to adopt a dollar value debt ceiling when the LTFP is finalised, but also provides allowance for debt for capital investments where the payback can cover interest costs and the loan principle repayments over a reasonable period.

The debt ceiling was updated to \$143 million as part of the last full LTFP review in November 2024.

Based on the 2025–26 budget, and incorporating likely capital project carry forwards from 2024-25, the forecast debt position is \$133.57 million.

The following graph shows the forecast borrowings over the life of the LTFP.

### Debt projection based on the adopted Long Term Financial Plan



# Key financial indicators

The Council has adopted a suite of key financial indicators (KFIs) that are primarily based on those included in the Model Financial Statements and those recommended by the Local Government Association (LGA) and Local Government Financial Managers Group as appropriate for measuring financial sustainability within the context of local government. Additional measures for debt servicing and level of borrowings have been included to monitor debt management.

The financial indicators, related targets and budgeted positions for 2025–26 are summarised in the table below.

Key financial indicator	Budgeted position for 2025–26	Target	Result
Operating surplus ratio LGA KFI target	2.8%	This ratio expresses the operating surplus as a percentage of total operating revenue. The target as set by the LGA is to achieve an operating surplus ratio of between 0 and 10 per cent.	✓
Net financial liabilities ratio LGA KFI target	66%	This ratio expresses the year-end position for net liabilities as a percentage of total operating income. Our net liabilities as a percentage of total operating revenue will not exceed 100 per cent, as per the target set by the LGA.	✓
Interest cover ratio	3.4%*	This ratio expresses the finance charges (interest) as a percentage of total operating revenue. Our finance charges as a percentage of total operating revenue will not exceed 5 per cent.	✓
Level of borrowings	\$133.57 million	Our borrowings will not exceed the hard dollar value ceiling of \$143 million.	✓
Debt servicing	5.7%* (\$13.24 million)	This debt servicing figure is calculated as loan repayments and interest paid, divided by total operating revenue. Total debt servicing will be below an upper debt servicing limit of 10 per cent (\$23.31 million) and above a lower limit of 3 per cent (\$6.99 million) of rate revenue.	✓
Asset renewal funding ratio LGA KFI target	109.1%	The target as set by the LGA is for expenditure on renewal of assets to be greater than 90 per cent but less 110 per cent of expenditure proposed in the Strategic Asset Management Plan.	✓

✓ = Target achieved or within target range    ✗ = Outside of target range for 2025–26    \* = These positions are based on forecast borrowings

# Community wastewater management systems

To cover the operational and maintenance costs of our seven community wastewater management systems (CWMS), we charge customers utilising this sewerage service.

CWMS are subject to a regulatory regime under the auspices of the Essential Services Commission of South Australia (ESCOSA), in addition to requirements of the *Local Government Act 1999* (the Act).

Under the Act, councils are entitled to recover the full cost of providing CWMS services. In addition, ESCOSA requires that the full cost of providing the service should also recognise a return on capital and an allowance for unquantifiable risks associated with CWMS. This ensures appropriate revenue is raised for operating and maintenance costs, future capital works, and managing the risks associated with running the scheme. This revenue is not used for any other purpose.

For 2025-26, the draft service charge for CWMS units is \$1268.59, remaining unchanged from the previous year.

# Southern Region Waste Resource Authority (SRWRA)

SRWRA is a regional subsidiary established by the cities of Onkaparinga, Marion and Holdfast Bay, as per section 43 of the *Local Government Act 1999*.

SRWRA's integrated site provides processing facilities for both the kerbside waste and recycling bins, a landfill, green energy precinct, and a recycled water storage dam that supports McLaren Vale. The integration of the site is unique in Australia, making us leaders in delivering innovative and sustainable waste management solutions for the benefit of our southern Adelaide communities.

Onsite, SRWRA operates several joint-venture initiatives including:

- the Southern Recycling Centre – a joint venture with Integrated Waste Services. The centre plays a key role in the diversion of waste from landfill, processing all kerbside waste bin collections with approximately 40 per cent of the content separated, processed and used as capping for landfill rehabilitation.
- the Southern Materials Recovery Facility – a joint venture between SRWRA and Re.Cycle (Adelaide), a subsidiary of Re.Group. The Southern Materials Recovery Facility, which is the largest in South Australia, is a state-of-the-art facility that provides processing of kerbside co-mingled recycling and produces the highest product purity levels in Australia.
- a green energy precinct operated by LMS Energy. Located at the SRWRA site, it's South Australia's largest solar farm on capped landfill (600kW) and includes a 3MW biogas plant which converts the methane from the landfill into electricity, removing the harmful greenhouse gas in the process.

SRWRA also provides the City of Onkaparinga with onsite recycling services such as recycled concrete and bitumen. This helps minimise our reliance on virgin material and assists in transitioning to a circular economy.

# Rating Policy overview

## Our Rating Policy is a key component of our financial planning.

In 2025–26 we anticipate that 79.4 per cent of our total operating income will come from rates.

In setting the rates, we consider valuation movements and develop rate models to determine the likely impact on individual properties. Please refer to appendices 9 and 10 for further detail of our general rates.

## Our Rating Policy is reviewed annually, with key considerations being:

- our rating strategies and structure ranked highly against the principles of taxation
- the current rating structure and rate revenue contribution methodology is equitable
- the fixed charge component collects an equitable contribution from all rateable properties
- differential rates contribute an equitable level of rate revenue from each land use category
- the rating policy supports the practical implementation of our goals, strategies and statutory obligations.

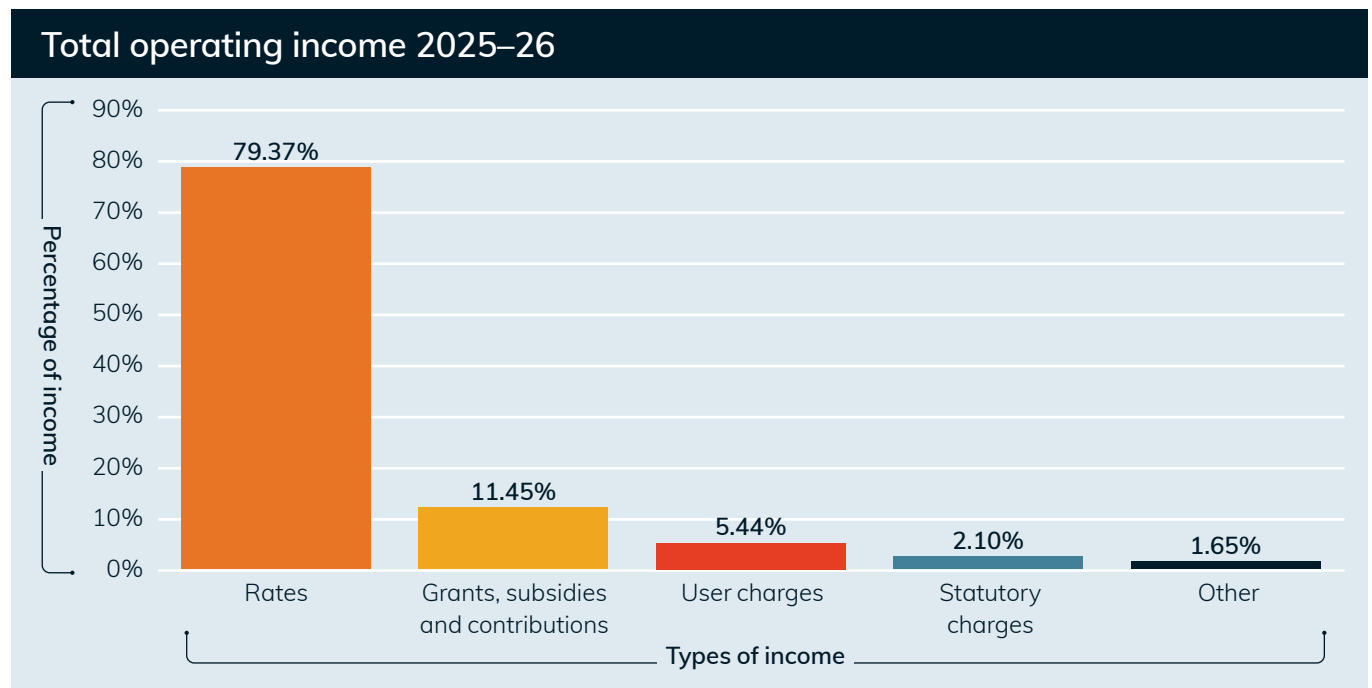
## Rating Policy 2025–26

In developing our Rating Policy, the Council considered community engagement outcomes from previous years. The overall structure of our Rating Policy 2025–26 is very similar to that applied during 2024–25 and includes:

- a fixed charge component, which will be determined in June after rates modelling has taken place
- different rates for different land use categories, retaining a similar proportion of net rate revenue to 2024–25 for each category (adjusted for new properties and other movements) to prevent redistribution of the rate burden between categories of ratepayers

- an automatic rebate to properties with a residential land use to cap any increase in the variable component of rates at 10 per cent based on the same eligibility criteria as in 2024–25.

We do not receive any more revenue from increasing or decreasing the fixed charge component. In addition, applying an automatic rate rebate cap will see the rates above this cap redistributed amongst the remaining ratepayers within the residential category.



## Number of rateable properties by differential rating type comparison table

Land use	2024–25	2025–26
Commercial – office	235	249
Commercial – other	1416	1536
Commercial – shop	1256	1271
Industry – light	544	549
Industry – other	398	402
Other	264	263
Primary production	1957	1986
Residential	75,462	75,681
Vacant land	1757	2074
<b>TOTAL</b>	<b>83,289</b>	<b>84,011</b>

The 2025–26 information presented is based on valuation data as of 11 March 2025.

## Regional landscape levy

The regional landscape levy is a state-mandated levy we are required to collect to support the operations of regional landscape boards, which manage the state's natural resources.

For 2025–26, the total amount to be collected is \$4 million, all which is all passed onto the boards. Rates that will apply for the levy are subject to finalisation of valuation data and budget adoption.

For information about the levy, contact your relevant board.

## ESCOSA local government advice

On 30 April 2022, amendments to the Local Government Act 1999 (the Act) came into operation which included a new advisory scheme to give ratepayers greater confidence that the rates they pay are set at the level necessary for their council to provide services.

The Essential Services Commission South Australia (ESCOSA) is the designated authority which, on a four yearly rolling schedule, reviews and provides its advice on each councils' strategic management planning documents. The advice relates to the appropriateness of the councils' long-term financial plans, infrastructure and asset management plans, and revenue sources as outlined in funding plans. It is an advisory scheme, identifying both risks and areas of good practice for councils to consider, with decision-making remaining in the hands of the councils.

The City of Onkaparinga was reviewed by ESCOSA in the 2023–24 tranche of councils. Its advice identifying challenges to council's financial sustainability was already known and was considered in the development of the 2024–25 Budget and Long Term Financial Plan and Strategic Asset Management Plan updates. As required by the Act, the ESCOSA report and our updated responses to that report are included in appendices 11 and 12.

## How rates are determined

The amount collected via rates is determined by the annual budget council sets to provide services to the community.

Council develops a rating strategy and then sets a rate in the dollar to generate the required rate revenue after determining its annual budget. Council uses both a fixed charge component and an additional component calculated using property values to share the rates burden among property owners in an equitable manner.

Additional rates are collected from new properties in the city, which is referred to as growth. This revenue is required to provide services to these new properties. An estimate of the number of new properties is determined from the Valuer-General and included in the calculation of rates for the upcoming year.

We consult with the community on the draft Annual Business Plan each year. It includes information on proposed rating decisions to ensure council is being transparent and accountable to the community for rating decisions that impact them. This helps the council balance community demands for services and infrastructure with the revenue available to pay for them. The diagram below demonstrates how we calculate your rates.

## Valuation trends and rate modelling

We base our rating on the property valuations provided by the Office of the Valuer-General.

The Valuer-General – under the *Valuation of Land Act 1971* – provides a value for every property in South Australia annually, which takes effect from 1 July.

Property valuation increases do not increase the total amount of rates that a council receives, but they do impact on the proportion of rates paid by an individual ratepayer.

Rate modelling is undertaken annually to ensure the impacts on the community prior to adoption of the annual budget and the Rating Policy remain aligned.

At the City of Onkaparinga, a fixed charge amount is set for every ratepayer to ensure all rateable properties contribute towards the council's services.

The remaining rate revenue required is divided by all the property values in its category to arrive at a 'rate in the dollar'. A different rate is set for each land use category. The rates for each property are set by combining the fixed charge and using the value of each rateable property multiplied by the 'rate in the dollar'.

This model delivers the most equitable rating outcomes, provides options to manage risk and ultimately can protect ratepayers from rapid valuation movements, as the fixed charge breaks the direct link between property valuations and rates payable. The draft 2025–26 rates in the dollar can be found in appendix 10 (2025–26 Rating Policy) however these will be updated based on final valuations prior to budget adoption at the end of June 2025.

## Assistance for ratepayers

We understand that ratepayers may have difficulty paying their rates. There are various supports we have in place that may provide assistance, including:

- Financial Hardship Policy and payment arrangements
- postponement of rates for seniors
- rate rebates for eligible properties providing a community benefit.

The Rating Policy 2025–26 is included as appendix 10 and at [onkaparingacity.com](http://onkaparingacity.com)



# Your council rates explained \_\_\_\_\_

## **Working out council's annual budget**

Following consultation with the community, the council decides which services, programs and infrastructure it will deliver each year.

This includes roads, parks, libraries, waste collection, maintenance and running community services.

The Annual Business Plan (ABP) and Budget shows exactly what council will deliver.

## **Where does the money come from?**

The council receives funding from a range of sources, including your rates. A breakdown of where the money comes from can be found on page 41.

Council subtracts the amount of money received from other funding sources from the total budget.

The remaining amount comes from everyone's rates.

# What is included in the annual rates notice?

## Example calculation

The calculation opposite is an example only, assuming that:

- council needs \$170 million from rates
- council will receive \$100 million from the variable charge
- council will receive \$70 million from the fixed charge
- the variable charge is based on a residential 'rate in the dollar' of \$0.00189072
- a fixed charge of \$760 for every property.

This example rates notice calculation is based on a property that:

- has a median residential property value in Onkaparinga (\$737,000)
- is located in the Hills and Fleurieu regional landscape levy zone
- is connected to the Community Wastewater Management Scheme (CWMS)
- has no outstanding fees or charges.

## More information

Phone 8384 0666 or visit [onkaparingacity.com/rates](http://onkaparingacity.com/rates)

## Opening balance

If you have outstanding charges or are in credit from a previous quarterly or annual bill, this will be displayed in the opening balance.

## Fixed charge

This is a set amount and is charged to each property in the council area.

The fixed charge ensures that all property owners contribute an equal base amount to the cost of services and infrastructure required across the entire council area.

Council adjusts this every year to ensure the fairest approach for all ratepayers.

## Variable charge

This charge is based on your property value so it differs for each ratepayer. Property valuations are set by the state government's Valuer General, not by the council.

The variable charge is based on a 'rate in the dollar' set by the council. This is the total amount of money council receives from variable rates divided by total value of every property in Onkaparinga.

To work out the variable charge, the property value is multiplied by the 'rate in the dollar'.

The 'rate in the dollar' for the variable charge also differs depending on the type of land you own (e.g. residential, industrial, commercial or primary production). This example uses the residential 'rate in the dollar'.

## 2024–25 Rates calculation - example

Opening balance	\$000.00
Rates – Fixed charge	\$760.00
Rates – Residential @ 0.00189072	\$1,393.46
Rates – Regional Landscape Levy Hills & Fleurieu @ 0.00010387	\$76.55
Service charge – CWMS	\$1,268.59
<b>TOTAL DUE</b>	<b>\$3,498.60</b>
Amount due this quarter	\$874.65

## Regional Landscape Levy (RL Levy)

This is a state government tax that is collected by council and passed directly to the state government.

## CWMS

This is a charge for the ongoing operation and maintenance of the Community Wastewater Management Scheme.

The charge is applicable only to ratepayers connected to one of our seven CWMS services.



## Appendices 1–7

Draft Budget  
2025–26

**DRAFT STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDING 30 JUNE 2026**

	2025-26 Original Budget	2025-26 Adopted LTFP forecast	Movement %
<b>Operating income</b>			
Rates	184,902,429	186,621,000	-0.92%
Statutory charges	4,886,730	4,501,000	8.57%
User charges	12,687,289	12,471,000	1.73%
Grants, subsidies and contributions - capital renewal	8,052,912	1,917,000	320.08%
Grants, subsidies and contributions - operating	18,691,863	19,443,000	-3.86%
Investment income	98,076	202,000	-51.45%
Reimbursements	721,039	635,000	13.55%
Other income	2,689,876	2,577,000	4.38%
Net gain - equity accounted joint venture	330,000	330,000	0.00%
<b>Total operating income</b>	<b>233,060,214</b>	<b>228,696,000</b>	<b>1.91%</b>
<b>Operating expenses</b>			
Employee costs	91,377,192	91,580,000	0.22%
Materials, contracts and other expenses	83,371,923	83,114,000	-0.31%
Finance costs	7,966,412	7,945,000	-0.27%
Depreciation and amortisation	43,761,278	45,777,000	4.40%
<b>Total operating expenses</b>	<b>226,476,805</b>	<b>228,417,000</b>	<b>0.85%</b>
<b>Operating surplus/(deficit) before capital amounts</b>	<b>6,583,409</b>	<b>279,000</b>	<b>-2259.64%</b>
<b>Capital income</b>			
Amounts received specifically for new or upgraded assets	970,800	1,283,000	-24.33%
Physical resources received free of charge	-	-	-
Proceeds from disposal of assets	3,759,539	3,964,000	-5.16%
<b>Net surplus/(deficit)</b>	<b>11,313,748</b>	<b>5,526,000</b>	<b>104.74%</b>
<b>Other comprehensive income</b>			
Changes in revaluation surplus - infrastructure, property, plant and equipment	64,743,566	74,374,000	-12.95%
<b>Total other comprehensive income</b>	<b>64,743,566</b>	<b>74,374,000</b>	<b>-12.95%</b>
<b>Total comprehensive income</b>	<b>76,057,314</b>	<b>79,900,000</b>	<b>-4.81%</b>

**DRAFT STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2026**

	2025-26 Original Budget	2025-26 Adopted LTFP forecast
<b>Current assets</b>		
Cash and cash equivalents	-	-
Trade and other receivables	23,408,448	16,493,000
Inventories	75,369	73,000
<b>Total current assets</b>	<b>23,483,817</b>	<b>16,566,000</b>
<b>Non-current assets</b>		
Financial Assets	985,721	1,060,000
Equity accounted investments in council businesses	15,491,300	16,245,000
Infrastructure, property, plant and equipment	2,566,110,684	2,773,498,000
Other non-current assets	-	15,071,000
<b>Total non-current assets</b>	<b>2,582,587,705</b>	<b>2,805,874,000</b>
<b>Total assets</b>	<b>2,606,071,522</b>	<b>2,822,440,000</b>
<b>Current liabilities</b>		
Trade and other payables	24,129,586	8,125,000
Short term borrowings	38,308,796	36,007,000
Short term provisions	9,056,721	11,777,000
<b>Total current liabilities</b>	<b>71,495,103</b>	<b>55,909,000</b>
<b>Non-current liabilities</b>		
Long term borrowings	95,257,523	106,469,000
Long term provisions	6,829,169	3,809,000
Other non current-liabilities	4,739,956	5,701,000
<b>Total non-current liabilities</b>	<b>106,826,648</b>	<b>115,979,000</b>
<b>Total liabilities</b>	<b>178,321,751</b>	<b>171,888,000</b>
<b>Net assets</b>	<b>2,427,749,771</b>	<b>2,650,552,000</b>
<b>Equity</b>		
Accumulated surplus	606,749,823	626,934,000
Asset revaluation reserve	1,802,746,551	2,008,716,000
Other reserves	18,253,397	14,902,000
<b>Total equity</b>	<b>2,427,749,771</b>	<b>2,650,552,000</b>

**DRAFT STATEMENT OF CASH FLOWS FOR THE YEAR ENDING 30 JUNE 2026**

	2025-26 Original Budget	2025-26 Adopted LTFP forecast
<b>Cash flows from operating activities</b>		
<b>Receipts</b>		
Operating receipts	224,909,226	226,577,000
Investment receipts	98,076	202,000
<b>Payments</b>		
Operating payments to suppliers and employees	(174,749,115)	(174,695,000)
Finance payments	(7,966,412)	(7,945,000)
<b>Net cash flows from operating activities</b>	<b>42,291,775</b>	<b>44,139,000</b>
<b>Cash flows from investment activities</b>		
<b>Receipts</b>		
Grants specifically for new or upgraded assets	970,800	1,283,000
Proceeds from sale of assets	3,759,539	3,964,000
<b>Payments</b>		
Expenditure on renewal/replacement of assets	(43,240,986)	(39,621,000)
Expenditure on new/upgraded assets	(9,697,462)	(6,222,000)
<b>Net cash flows from investment activities</b>	<b>(48,208,109)</b>	<b>(40,596,000)</b>
<b>Cash flows from financing activities</b>		
<b>Receipts</b>		
Proceeds from borrowings	4,340,939	2,653,000
<b>Payments</b>		
Repayments of borrowings	(5,271,633)	(8,932,000)
<b>Net cash flows from financing activities</b>	<b>(930,694)</b>	<b>(6,279,000)</b>
<b>Net increase/(decrease) in cash held</b>	<b>(6,847,028)</b>	<b>(2,736,000)</b>
<b>Cash and cash equivalents at beginning of reporting period</b>	<b>-</b>	<b>-</b>
<b>Cash and cash equivalents at end of reporting period</b>	<b>(6,847,028)</b>	<b>(2,736,000)</b>
<b>Represented by:</b>		
<i>Cash and cash equivalents</i>	-	-
<i>Less: Short term cash advance drawdowns</i>	(6,847,028)	(2,736,000)

**DRAFT STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDING 30 JUNE 2026**

	2025-26 Original Budget	2025-26 Adopted LTFP forecast
<b>Accumulated surplus</b>		
Balance at end of previous reporting period	587,939,075	610,259,000
Surplus/(deficit) from operations	18,810,748	15,526,000
Non-cash transfer from reserves to accumulated surplus	-	1,149,000
<b>Balance at end of period</b>	<b>606,749,823</b>	<b>626,934,000</b>
<b>Asset revaluation reserve</b>		
Balance at end of previous reporting period	1,738,002,985	1,934,342,000
Gain on revaluation of infrastructure, property, plant and equipment	64,743,566	74,374,000
<b>Balance at end of period</b>	<b>1,802,746,551</b>	<b>2,008,716,000</b>
<b>Other reserves</b>		
Balance at beginning of period	17,377,514	16,051,000
Transfers to reserve	4,119,741	-
Transfers from reserve	(3,243,858)	(1,149,000)
Non-cash transfer from reserves to accumulated surplus	-	-
<b>Balance at end of period</b>	<b>18,253,397</b>	<b>14,902,000</b>
<b>Total equity</b>	<b>2,427,749,772</b>	<b>2,650,552,000</b>

**DRAFT FUNDING STATEMENT FOR THE YEAR ENDING 30 JUNE 2026**

	2025-26 Original Budget	2025-26 Adopted LTFF forecast
<b>Operating activities</b>		
<b>Income</b>		
Rates revenues	184,902,429	186,621,000
Statutory charges	4,886,730	4,501,000
User charges	12,687,289	12,471,000
Grants, subsidies and contributions - operating	18,691,863	19,443,000
Investment income	98,076	202,000
Reimbursements	721,039	635,000
Other income	2,689,876	2,577,000
Net gain - equity accounted joint venture	330,000	330,000
<b>Total income</b>	<b>225,007,302</b>	<b>226,779,000</b>
<b>Expenditure</b>		
Employee costs	91,377,192	91,580,000
Materials, contracts and other expenses	83,371,923	83,114,000
Depreciation and amortisation	43,761,278	45,777,000
Finance costs	7,966,412	7,945,000
<b>Total expenses</b>	<b>226,476,805</b>	<b>228,417,000</b>
<b>Operating surplus / (deficit) before capital renewal income</b>	<b>(1,469,503)</b>	<b>(1,638,000)</b>
Grants, subsidies and contributions - capital renewal	8,052,912	1,917,000
<b>Total operating surplus / (deficit)</b>	<b>6,583,409</b>	<b>279,000</b>
<b>Capital projects</b>		
<b>Renewal</b>		
Project expenses	43,240,986	39,621,000
<i>Less:</i>		
Grants, subsidies and contributions	8,052,912	1,917,000
Developer contributions	-	-
Other income	659,300	964,000
<b>Net renewal expense</b>	<b>34,528,774</b>	<b>36,740,000</b>
<b>New and Significant Upgrades</b>		
Project expenses	9,697,462	6,222,000
<i>Less:</i>		
Grants, subsidies and contributions	-	1,283,000
Developer contributions	970,800	-
Other income	3,100,239	3,000,000
<b>Net new and significant upgrade expense</b>	<b>5,626,423</b>	<b>1,939,000</b>
<b>Capital Project Expenditure</b>	<b>40,155,197</b>	<b>38,679,000</b>

**DRAFT FUNDING STATEMENT FOR THE YEAR ENDING 30 JUNE 2026**

	2025-26 Original Budget	2025-26 Adopted LTFF forecast
<b>Other</b>		
<b>Loans</b>		
New loans	4,340,939	2,653,000
<i>Less:</i>		
Loan principal repayments	5,271,633	8,932,000
<b>Net loan movement</b>	<b>(930,694)</b>	<b>(6,279,000)</b>
<b>Reserves</b>		
Transfer from reserves	3,243,858	1,149,000
<i>Less:</i>		
Transfer to reserves	4,119,741	-
<b>Net reserve movement</b>	<b>(875,883)</b>	<b>1,149,000</b>
<b>Adjust:</b>		
Depreciation - included in operating result, funded by renewal	43,761,278	45,777,000
Grants, subsidies and contributions (renewal) - included in operating result	(8,052,912)	(1,917,000)
Net gain - equity accounted joint venture - non-cash	(330,000)	(330,000)
<b>Funding Surplus / (deficit)</b>	<b>-</b>	<b>-</b>
Grand Total Income	245,045,349	237,415,000
Grand Total Expense	245,045,349	237,415,000
Funding Surplus / (deficit)	-	-

**DRAFT UNIFORM PRESENTATION OF FINANCES FOR THE YEAR ENDING 30 JUNE 2026**

	2025-26 Original Budget	2025-26 Adopted LTFF forecast
<b>Operating surplus/(deficit)</b>		
Operating income		
Rates	184,902,429	186,621,000
Statutory charges	4,886,730	4,501,000
User charges	12,687,289	12,471,000
Grants, subsidies and contributions - capital renewal	8,052,912	1,917,000
Grants, subsidies and contributions - operating	18,691,863	19,443,000
Investment income	98,076	202,000
Reimbursements	721,039	635,000
Other income	2,689,876	2,577,000
Net gain - equity accounted joint venture	330,000	330,000
	<b>233,060,214</b>	<b>228,696,000</b>
Operating expenses		
Employee costs	91,377,192	91,580,000
Materials, contracts and other expenses	83,371,923	83,114,000
Finance costs	7,966,412	7,945,000
Depreciation and amortisation	43,761,278	45,777,000
	<b>226,476,805</b>	<b>228,417,000</b>
<b>Operating surplus/(deficit)</b>	<b>6,583,409</b>	<b>279,000</b>
<b>Less: Net outlays on existing assets</b>		
Capital expenditure on renewal and replacement of existing assets	(43,240,986)	(39,621,000)
Add back depreciation, amortisation and impairment	43,761,278	45,777,000
Proceeds from sale of replaced assets	659,300	964,000
<b>Net outlays on existing assets</b>	<b>1,179,592</b>	<b>7,120,000</b>
<b>Less: Net outlays on new and upgraded assets</b>		
Capital expenditure on new and upgraded assets	(9,697,462)	(6,222,000)
Amounts received specifically for new and upgraded assets	970,800	1,283,000
Proceeds from sale of surplus assets	3,100,239	3,000,000
<b>Net outlays on new and upgraded assets</b>	<b>(5,626,423)</b>	<b>(1,939,000)</b>
<b>Net lending / (borrowing) for financial year</b>	<b>2,136,578</b>	<b>5,460,000</b>

**DRAFT KEY FINANCIAL INDICATORS FOR THE YEAR ENDING 30 JUNE 2026**

	2025-26 Original Budget	2025-26 Adopted LTFF forecast
--	----------------------------	-------------------------------------

**Operating surplus ratio**

*The percentage by which the major controllable income source varies from day to day expenses*

Calculated as:

Operating surplus/(deficit) before capital amounts	6,583,409	279,000
--	-----------	---------

Divided by:

Operating income	233,060,214	228,696,000
<b>Operating income</b>	<b>233,060,214</b>	<b>228,696,000</b>

<b>Expressed as a percentage</b>	<b>2.8%</b>	<b>0.1%</b>
<b>Target*</b>	<b>&gt;0%</b>	<b>&gt;0%</b>

**Net financial liabilities ratio**

*How significant is the net amount owed compared with income*

Calculated as:

Total liabilities	178,321,751	171,888,000
Less: Liabilities for equity accounted investments in council businesses	-	-
Less: Current cash and cash equivalents	-	-
Less: Current trade and other receivables	(23,408,448)	(16,493,000)
Less: Current other financial assets	(75,369)	(73,000)
Less: Non-current financial assets	(985,721)	(1,060,000)
<b>Net financial liabilities</b>	<b>153,852,213</b>	<b>154,262,000</b>

Divided by:

Total operating income	233,060,214	228,696,000
<b>Total operating income</b>	<b>233,060,214</b>	<b>228,696,000</b>

<b>Expressed as a percentage</b>	<b>66.0%</b>	<b>67.5%</b>
<b>Target</b>	<b>&lt;100%</b>	<b>&lt;100%</b>

**Interest cover ratio**

*How much income is used in paying interest on loans*

Calculated as:

Finance costs	7,966,412	7,945,000
Less: Investment income	(98,076)	(202,000)
<b>Net finance costs</b>	<b>7,868,336</b>	<b>7,743,000</b>

Divided by:

Total operating income	233,060,214	228,696,000
Less: Investment income	(98,076)	(202,000)

<b>Total operating income</b>	<b>232,962,138</b>	<b>228,494,000</b>
<b>Expressed as a percentage</b>	<b>3.4%</b>	<b>3.4%</b>
<b>Target</b>	<b>&lt;5%</b>	<b>&lt;5%</b>

**DRAFT KEY FINANCIAL INDICATORS FOR THE YEAR ENDING 30 JUNE 2026**

	2025-26 Original Budget	2025-26 Adopted LTFF forecast
--	----------------------------	-------------------------------------

**Level of borrowings**

*How significant is the level of borrowings compared with income*

Calculated as:

Total borrowings	133,566,319	142,476,000
------------------	-------------	-------------

Divided by:

Total operating income	233,060,214	228,696,000
------------------------	-------------	-------------

<b>Expressed as a percentage</b>	<b>57.3%</b>	<b>62.3%</b>
----------------------------------	--------------	--------------

**Alternate ratio**

Calculated as:

Total borrowings	133,566,319	142,476,000
------------------	-------------	-------------

Divided by:

Total rate income	184,902,429	186,621,000
-------------------	-------------	-------------

<b>Expressed as a percentage</b>	<b>72.2%</b>	<b>76.3%</b>
----------------------------------	--------------	--------------

<b>Debt ceiling</b>	<b>143,000,000</b>	<b>138,500,000</b>
---------------------	--------------------	--------------------

**Debt servicing ratio**

*The proportion of total operating revenue required to service debt*

Calculated as:

Fixed term repayments plus Interest (finance costs)	13,238,045	16,877,000
---	------------	------------

Divided by:

Total operating income	233,060,214	228,696,000
------------------------	-------------	-------------

<b>Expressed as a percentage</b>	<b>5.7%</b>	<b>7.4%</b>
----------------------------------	-------------	-------------

**Target**

**Total debt servicing will be below an upper debt servicing limit of 10% and above a lower limit of 3% Operating revenue**

Calculated as:

Total operating income	233,060,214	228,696,000
------------------------	-------------	-------------

Upper debt servicing limit 10% of operating revenue	23,306,021	22,869,600
---	------------	------------

Lower debt servicing limit 3% of operating revenue	6,991,806	6,860,880
--	-----------	-----------

<b>Debt Servicing</b>	<b>13,238,045</b>	<b>16,877,000</b>
-----------------------	-------------------	-------------------

**Asset renewal funding ratio**

*What percentage of assets are being replaced at the rate they are consumed*

Calculated as:

Expenditure on renewal/replacement of assets	43,240,986	39,621,000
--	------------	------------

<b>Net expenditure on renewal/replacement of assets</b>	<b>43,240,986</b>	<b>39,621,000</b>
---	-------------------	-------------------

Divided by:

Projected asset renewal funding requirement	39,621,000	39,621,000
---	------------	------------

<b>Expressed as a percentage</b>	<b>109.1%</b>	<b>100.0%</b>
----------------------------------	---------------	---------------

<b>Target</b>	<b>90-110%</b>	<b>90-110%</b>
---------------	----------------	----------------



## Appendix 8

Long Term  
Financial Plan  
2025–26 update



# Draft Long Term Financial Plan 2025-26 to 2035-36

Working towards the  
Community Vision 2034



# Contents

- About the City of Onkaparinga.....3
- Strategic Planning Framework .....4
- ESCOSA Advice .....6
- ESCOSA recommendations and council response.....7
- CEO Statement of Financial Sustainability..... 10
- Principles ..... 11
- Key changes to the 2025-26 LTFP update..... 13
- Assumptions ..... 14
- Funding Plan..... 18
- Key Financial Indicators..... 22
- Forecast Financial Statements..... 29

# About the City of Onkaparinga

The City of Onkaparinga is home to 180,865 residents living in both urban and rural communities, making it the largest South Australian council by population. The city has over 83,000 rateable properties across five major categories, including residential, commercial and primary production.

Onkaparinga is also South Australia's largest metropolitan council, extending over 518 square kilometres of diverse natural landscape including 31 kilometres of coastline, hills, vineyards, agricultural plains and national parks.

The city benefits from many public open spaces and recreational areas, creative and cultural communities, and a unique variety of industrial areas, commercial precincts, community centres and facilities.

Council owns and maintains a diverse asset portfolio worth approximately \$3.5 billion, which includes:

- 1,384km of sealed roads
- 2,462 land parcels
- 447 buildings (including sport and active recreation facilities)
- 854 reserves (developed and undeveloped)
- 250 playgrounds
- 739 sporting and active recreation assets including 203 hardcourts, 313 lights, 40 pitches and 36 turfed ovals
- 721km of stormwater pipes and 147kms of sewer pipes
- 652 plant and fleet assets

# Strategic Planning Framework

## Requirements under the *Local Government Act 1999*

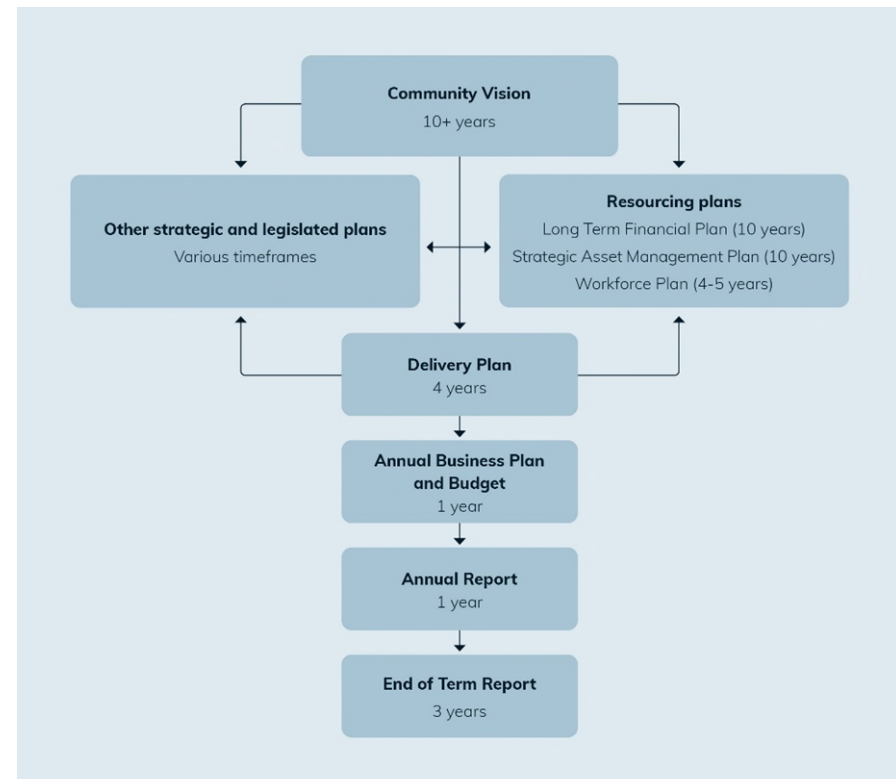
Under section 122 of the *Local Government Act 1999* (the Act), Council must undertake a comprehensive review of its Long Term Financial Plan (LTFP) every four years, and review the plan on an annual basis to ensure that the assumptions and information contained within the plan remains relevant.

The LTFP was fully reviewed and adopted in November 2024, with this document representing an annual update as part of the 2025-26 budget process.

The annual review will update the assumptions and other key inputs that underpin the financial forecasts, giving consideration where quantifiable to the financial impacts of identified risks such as climate-related risks and other emerging risks.

The LTFP is a critical part of Council's financial planning process. Its purpose is to guide decision making so that financial sustainability can be maintained while delivering on the needs of our community.

The LTFP expresses in financial terms how we will deliver on the objectives specified in our other leading strategic documents including the Community Vision 2034 and Strategic Asset Management Plan (SAMP).



## **Community Vision 2034**

The Community Vision 2034 is a 10-year roadmap designed to guide our community's future. It serves as a collective compass, steering council, residents, businesses, community groups, industry partners, and other government levels toward a shared vision. This vision provides a clear direction, helping us all work together to achieve common goals. The plan not only defines our aspirations but also outlines actionable steps to bring this vision to life. The Community Vision features four themes to frame council decision making and the services and projects we deliver.

- Community
- Environment
- Liveability and
- Leadership

The LTFP, SAMP and Workforce Plan forecast the resources required to achieve this vision. These resourcing plans are informed by, and help to inform, our other strategic and legislative plans.

The outcomes within these plans flow into a four-year Delivery Plan, and further into each Annual Business Plan and Budget.

## **Strategic Asset Management Plan (SAMP)**

The SAMP provides an overview of our assets, how they are performing, the service levels provided, goals and objectives, areas for improvement and financial position. It also indicates how we manage assets to align with community goals and objectives, and the strategic goals of the organisation.

The SAMP is reviewed and updated every year, and the projected financial requirements must align to those within the LTFP. This is to ensure budgets are allocated to achieve the objectives and demands identified in the SAMP, and that any budget shortfalls, pressures or opportunities are reflected and identified in both plans.

The previous SAMP and LTFP were adopted in November 2024.

## **Relationship of the LTFP to the annual budget**

The LTFP is a 20-year plan, with the first 10 years (plus the current budget year) published as required under the Act. It applies key principles and underlying assumptions to each year of the plan, with its main purpose being to guide and inform decision making and to provide an insight into the City of Onkaparinga's financial sustainability over the period of the plan.

Each year Council also adopts an Annual Business Plan and Budget. It details the proposed annual expenditure and income required to deliver projects and services to meet Council's objectives for the coming year. The budget prescriptive, developed at the cost centre and project level, and incorporates known impacts for the coming year. Its main purpose is to allocate and manage annual resources, and to serve as a tool to measure performance.

## ESCOSA Advice

Following amendments to the *Local Government Act 1999* in 2022, the Essential Services Commission of South Australia (ESCOSA) was appointed the designated authority to conduct the Local Government Advice Scheme.

Over a four-year period, ESCOSA will review and provide advice on each council's strategic management planning documents, identifying risks, areas of good practice, and the appropriateness of the assumptions within the plans including historical performance.

ESCOSA reviewed the City of Onkaparinga's LTFP and SAMP in 2023, and the advice was received in February 2024. The advice identified challenges to council's financial sustainability, in particular the operating performance which has been in deficit for seven consecutive years.

These challenges were already understood by Council, and the recommendations from ESCOSA have been considered in the development of subsequent budgets.

The ESCOSA report acknowledged that Council was taking steps towards becoming more sustainable but emphasised the need to improve its operating performance, ensure the LTFP and SAMP are properly aligned, maintain asset renewals at sufficient levels, increase revenue, and develop a plan to manage debt.

The 14 recommendations made by ESCOSA and council's updated responses are listed on the following pages.

# ESCOSA recommendations and council response

## Budgeting considerations

### Recommendation 1

Ensure that the long-term financial plan is prepared every year as year as required by the LG Act.

### Response

The LTFP was fully reviewed and adopted in November 2024. An updated LTFP is being prepared as part of the 2025-26 annual budget process.

---

### Recommendation 2

Update and coordinate the data in the long-term financial plan and annual budget by clearly identifying the annual inflation and other relevant assumptions as inputs to its projected revenue (including rates) and expenditure, to provide transparency to the community.

### Response

A report to the Audit & Risk Committee on 6 February 2025 outlined the assumptions that would be used in the development of the annual budget and LTFP update, including inflation rates, rate increases and expenditure assumptions. This report also discussed the alignment to the adopted LTFP.

---

### Recommendation 3

Start to provide an annual statement of financial sustainability as required by the LG Act.

### Response

A CEO statement of financial sustainability has been included in adopted LTFP.

---

### Recommendation 4

Review its long-term financial plan annually (including its 10-year projections and all relevant assumptions (including for inflation)) to better inform its decision-making and any relevant consultation processes.

### Response

The LTFP adopted in November 2024 included detail about the assumptions used, including inflation rates, growth, interest rates and sources of revenue. Changes to these assumptions will be identified in the budget and annual LTFP updates.

---

## Continuing to provide evidence of ongoing cost efficiencies

### Recommendation 5

Consider options to increase income to move forward to a more financially sustainable position.

### Response

As part of the updated LTFP, a new set of principles has been adopted by Council, which includes the following: *Council decreases its reliance on rates by increasing revenue from alternative sources.*

Council have indicated there is a strong appetite to look at both maximising existing revenue opportunities and exploring new opportunities, and this will continue to be a focus.

---

### Recommendation 6

Monitor and report the growth in costs, including employee expenses, to ensure costs are constrained to forecast levels to ensure the operating performance is not negatively impacted by a lack of cost control.

### Response

This recommendation will be captured in the annual budget and LTFP updates.

---

### Recommendation 7

Consider adopting cost saving targets and reporting the projected and actual cost savings in the annual budget and long-term financial plan to provide evidence of controlling the growth in costs and achieving efficiencies across its operations and service delivery.

## Response

This recommendation will be considered as part of each budget and LTFP update.

---

## Recommendation 8

Develop a staged plan and identify targets to reduce the high level of debt, and report the achievements against targets in the annual budget and long-term financial plan.

## Response

It is recognised that there is a need to implement a robust debt management strategy. The first priority for Council has been on budget repair and returning the budget to an ongoing surplus position in order to provide better financial resilience as well as cash surpluses. Further development of a strategy to manage debt will continue to be a focus.

---

## Recommendation 9

Identify and dispose of those assets that have reached the end of their useful lives, or are excess to requirements, to reduce debt and exposure to future liabilities.

## Response

The updated LTFP contains an assumption for sale of surplus assets, with work being done to progress this. This will need to be further progressed with the current Council to see this assumption realised.

---

## Refinements to asst management planning

### Recommendation 10

Review the asset valuations, their remaining useful lives and corresponding depreciation schedules regularly to ensure they reflect current values, and incorporate this information into the strategic asset management plan and include these expenditure forecasts in the annual budget and annual long-term financial plan update.

## Response

The Strategic Asset Management Plan (SAMP) and LTFP were both reviewed, updated and adopted in November 2024, with the capital works requirements for renewal and new & significant upgrade works aligning across the two plans.

Reviews of asset valuations, unit rates, useful lives and depreciation are currently ongoing to ensure these are reflective of how assets are consumed and replaced.

---

### Recommendation 11

Undertake the good practice of developing and regularly updating the individual asset management plans for each asset group and coordinate the data in these asset management plans with the infrastructure asset management plan, budget, and long-term financial plan.

## Response

Asset management plans for the individual asset classes have been developed, with key data informing the SAMP. Financial requirements from the SAMP are incorporated into the adopted LTFP and will be aligned in all future updates.

---

### Recommendation 12

Provide more funding for asset renewals rather than prioritising initiatives which involve new or upgraded infrastructure.

## Response

Asset renewal requirements are determined from the asset management plans and are incorporated into the SAMP and LTFP; however it is noted that the priority for delivery should be on asset renewal as opposed to new infrastructure. It is noted that in some cases it may be necessary to upgrade or build new infrastructure to manage emerging risks such as the impacts of climate change.

---

### Recommendation 13

Continue to hold community consultations and conduct surveys to identify community priorities and desired service levels as part of the planning process for its strategic management plans.

## Response

This will continue to be done.

---

## Containing rate levels

### Recommendation 14

Continue to consider limiting future increases in rates to no more than expected inflation to reduce any emerging affordability risk in the community.

### Response

Following a need to increase rates above inflation in 2024-25 for budget repair, the draft rate revenue increase for 2025-26 has been set at just under the CPI for Adelaide at December 2024. The CPI figure will be updated for March 2025 when available, prior to adoption of the budget and LTFP.

Future rate revenue increases in the adopted LTFP are aligned to CPI.

---

# CEO Statement of Financial Sustainability

The development of our 2024-25 budget and Long Term Financial Plan (LTFFP) was strongly focused on budget repair.

We committed to strengthening the City of Onkaparinga's financial resilience by attaining and maintaining a budget surplus, laying the foundations for effective debt management, while ensuring we continue to deliver on the community's vision in an efficient and sustainable way.

This required some difficult short-term decisions, but they were necessary to secure the long-term financial sustainability needed to provide the high-quality services and public amenities our community expects and deserves, as reflected in Community Vision 2034.

I am pleased that the 2025-26 budget and this LTFFP update continue to uphold that commitment, meeting the financial sustainability targets set for local government.

Last year's hard work has allowed us to set the rate revenue increase for 2025-26 just below CPI, helping to limit the financial impact on our ratepayers.

For the second consecutive year, our budget maintains a surplus position.

This LTFFP update incorporates the 2025-26 budget and reflects relevant changes to key assumptions.

Further details, including sources of revenue, can be found within this document.

While there is still work to be done, this plan strengthens council's financial future, and positions us strongly to keep delivering for the community—providing vital services, maintaining core infrastructure, and investing in the city's liveability.

Phu Nguyen

Chief Executive Officer

# Principles

As part of the comprehensive review of the LTFP, an updated set of principles were adopted by Council that focus on the key areas that guide financially sustainable decision making.

These updated principles have underpinned the development of the 2025-26 Annual Business Plan and Budget and the forecasts within this LTFP.

**1. Through the Long Term Financial Plan and annual budgeting process, Council addresses the structural deficit position, transitions to a balanced budget in this Council term and maintains this surplus position going forward.**

In order to build long-term financial sustainability and the resilience to withstand unexpected events, returning to a balanced budget and maintaining a surplus position on an ongoing basis is critical and needs to be reflected in all decision making.

The emphasis on budget repair throughout the development of the 2024-25 budget resulted in the first surplus position in seven years, with the 2025-26 budget maintaining this position. These budgets provide the conditions to continue to maintain operating surpluses into the future. This will take ongoing discipline to ensure that the assumptions within this LTFP are adhered to, including future decisions about rate increases, efficiencies, capital spend and asset rationalisation.

**2. Council adopts a dollar value debt ceiling when the LTFP is finalised, however additional debt can be accessed for capital investment purposes where there is a financial return to fully cover interest costs and provides a reasonable payback period.**

Council's levels of borrowings have remained lower than the forecasts of the previous LTFP largely due to the receipt of significant revenue in advance for capital works projects funded by the State and Federal governments in 2022. This funding has temporarily reduced the level of borrowings held by council. Borrowings will increase over the next year as this funding is utilised.

Council manages its cashflow by repaying variable loans when there is cash inflow (such as grant funding or rates payments) and drawing down on loans when there are payments to be made. This practice is common across local government as a way to minimise interest costs.

This principle recognises that debt needs to be managed carefully but can also be used for good – for example, for investment purposes that have financial benefits in the future.

The debt ceiling was set at \$143 million when the LTFP was adopted in November 2024. The updated LTFP forecasts debt as remaining under this level.

**3. Revenue is increased at least in line with the Consumer Price Index (CPI) plus revenue from new properties to ensure financial sustainability.**

This principle recognises that where it's within the control of council, revenue needs to increase by at least CPI to cover costs. Whilst the development of each annual budget does not automatically assume CPI increases on existing expenses, a number of expenses increase by more than CPI which requires careful management in the overall budget.

This principle also recognises that growth – rates from new properties – should always be included in the calculation of rate revenue. Rates from new properties are essential to fund service delivery and contribute towards step change (the point where existing infrastructure can no longer absorb the growing population and needs to be expanded). Past decisions have not always included growth, or rates have been set lower than CPI, contributing to previous budget deficits.

The assumptions within this LTFP align future rate revenue increases to CPI, plus revenue from new properties.

**4. Council actively seek out collaborative opportunities which maximise value for our communities.**

This principle recognises that Council will continue to advocate to the State and Federal government for outcomes that create benefit for our community, with outcomes including policy change, input into legislation, or funding for projects and services. Recognising the ongoing importance in building partnerships with other agencies and working collaboratively is critical as we work towards the delivery of the Community Vision, and being clear about the role council has.

Within the LTFP, the recognition of funding received from advocacy efforts towards projects and services can have a direct impact on Council's financial forecasts. Consideration needs to be given to whole-of-life costs for capital projects (particularly new projects) and managing community expectations around externally funded services (such as what happens to the service when the funding ceases).

**5. Council decreases its reliance on rates by increasing revenue from alternative sources.**

Revenue from rates comprises over 80% of council's operating income. Whilst this will take time, there is a strong appetite within the current Council to diversify its revenue streams and explore other opportunities.

# Key changes to the 2025-26 LTFP update

As part of the 2025-26 budget development process, the LTFP has been reviewed and updated to reflect the new budget as well as any other changes in assumptions and inputs.

Key changes made to this LTFP include:

- Recognising the impacts of reduced CPI in 2025-26 compared to the forecast in the adopted LTFP  
The CPI used in the draft 2025-26 budget is 1% lower than the forecast of 3.5% used in the adopted LTFP, which has a compounding negative financial impact across the life of this plan.
- Capturing the change in accounting treatment for previously recognised intangible assets and the associated impacts to amortisation  
As outlined on page 17, changes in the accounting treatment for intangible assets have resulted in a reduction to amortisation expense of \$1.4 million annually. Whilst this is a non-cash item and has no impact on the level of borrowings, this has improved the operating surplus position in future years. There is a partial offset to this savings amount as future expenditure relating to the intangible asset has also been reclassified as operating. The net savings amount compared to the previous LTFP is \$900k annually.
- Including an allowance for the carry forward of project budgets each year from 2025-26.  
An allowance of \$5 million net carry forwards for capital works projects has been factored into the budget from 2025-26 onwards, recognising that there are a range of factors outside of council control that can impact on projects being delivered. In previous years the carry forward amounts have been higher, due to significant external funding and grants for additional projects outside of the normal program. The LTFP currently assumes a normal program of works.

These changes are reflected in the key financial indicators, graphs and financial statements in this document.

# Assumptions

The following table outlines the key assumptions used in the development of this LTFP:

	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36
Consumer Price Index (CPI)	3.2%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Local Government Price Index (LGPI)	3.5%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Interest on loans	5.4%	5.15%	5.15%	5.15%	5.15%	5.15%	5.15%	5.15%	5.15%	5.15%
Rate increases	3.2%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Total expenditure increases (excluding depreciation and finance costs)	3.2%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Growth	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%
Asset revaluations	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%

## Consumer Price Index (CPI)

The CPI for Adelaide for the 12 months to December 2024 was lower than anticipated, at 2.5%, however this may increase for the 12 months to March 2025. The 2025-26 budget and this LTFP will be updated for the March 2025 CPI when available.

The RBA is forecasting inflation to be within the target range of 2-3% by Dec 2026<sup>1</sup>, with some increases above 3% forecast prior to that date.

The CPI within the LTFP for application for the 2026-27 year is based on the RBA inflation forecast of 3.2% at June 2026, and is then maintained at 3% for the future years, noting that Adelaide CPI has been higher than the national average in the previous three years (but this gap is reducing).

## Local Government Price Index (LGPI)

LGPI is a measure of the inflation on goods and services specifically purchased by the Local Government sector. This differs from CPI in that CPI is a measure of inflation on household goods and services. The LGPI was developed by the Australian Bureau of Statistics and is updated quarterly by the South Australian Centre for Economic Studies. It calculates the inflation on recurrent expenditure and capital expenditure to produce a combined index.

Historically CPI and LGPI have been somewhat aligned however in recent years, LGPI has increased significantly as reflected in the cost of materials and delivery of maintenance and construction projects. This increase appears to be slowing down, and therefore the LGPI used in this LTFP aligns to CPI within the next two years.

## Interest on loans

Interest on loans in this LTFP is based on a weighted average of interest on fixed loans and variable Cash Advance Debenture loans. The variable cash rate has increased significantly however the RBA forecasts that the cash rate will reduce to 3.4 per cent by the of 2026<sup>2</sup>, just slightly higher than the forecast in the RBA's August 2024 Statement on Monetary Policy<sup>3</sup> (used in the previous LTFP). This is reflected in the

---

<sup>1</sup> Reserve Bank of Australia: <https://www.rba.gov.au/publications/smp/2025/feb/outlook.html>

<sup>2</sup> Ibid

<sup>3</sup> Reserve Bank of Australia: <https://www.rba.gov.au/publications/smp/2024/aug/contents.html>

interest rate forecasts of the big four banks. Accordingly, the LTFP forecasts a reduction in interest rates to 2027-28 but remains on the conservative side.

### **Rate increases and growth**

The 2024-25 budget included a rate increase above CPI, which has allowed the LTFP to align its future rate revenue increases to CPI plus growth (new properties within the city) from 2025-26. Aligning the rate increases to CPI is in line with the recommendations made by ESCOSA.

Growth has been included at 0.9 per cent in the 2025-26 budget and then 0.8 per cent annually which represents between 660 and 700 new properties each year. This will continue to be reviewed and updated as new developments take place in the city. Rates from new properties are required to provide services for those properties.

### **Total operating expenditure increases (excluding depreciation and finance costs)**

The LTFP assumes that expenditure relating to employee costs, materials, contracts and other expenses will not increase by more than CPI, with the exception of known pressures increased maintenance expenditure for roads due to reduced capital works in order to sweat these assets for longer, and Local Government election costs in 2026-27. Noting that many expenses including utilities, fuel and insurance can increase by more than CPI, factoring in an overall CPI increase ensures downward pressure is placed on controllable expenses.

In addition, maintenance budgets have been increased for new and contributed assets, recognising whole of life costs for these assets.

### **Asset revaluations**

The revaluation of our infrastructure assets occurs on an annual basis, with a comprehensive revaluation of land and building assets occurring every five years. This involves using a mixture of unit rates and building price indexes to determine the future replacement costs for those assets, and impacts on both the asset value in the Statement of Financial Position and depreciation expense in the operating position. In line with other increases in inflationary measures, asset revaluations have increased significantly over the last two years resulting in increased depreciation expense. This puts pressure on our focus to return to and maintain a surplus budget position.

Revaluation increases have been forecast in the LTFP at a rate higher than LGPI. However, ongoing work to review our asset classes, useful lives, calculation of unit rates and depreciation is occurring to ensure these reflect how our assets are consumed and replaced. The outcomes from this work will be updated into the LTFP as they occur.

A significant change from the previous LTFP is the derecognition of cloud-based software implementation costs as an intangible asset. In line with updated accounting treatment advice, these costs were derecognised as part of the 2023-24 year end financial statements and accordingly, \$1.4 million of annual amortisation expense will not be incurred. This has helped to improve the operating position for future years.

# Funding Plan

The financial statements commencing on page 29 outline forecast revenue over the next 10 years.

## Rates

In addition to general rates from existing and new properties, this income source includes the Regional Landscape Levies collected (and passed directly onto) the Green Adelaide and Hills & Fleurieu Landscape Boards, as well as service charges for the Community Wastewater Management System (CWMS).

All CWMS service charges are used directly to fund the system's ongoing operating, maintenance and future capital works, and are not used for any other council purpose. The exact service charge required is calculated each year.

Rates are also collected from the Port Stanvac Refinery site at Lonsdale, which are calculated under its own debenture Acts. This will not continue in future years due to the proposed sale of land and redevelopment of this site.

The increases to these other rates have been aligned to CPI in this plan.

## Statutory charges

Statutory charges are fees for regulatory activities and are generally set by legislation, such as those under the *Development, Planning and Infrastructure Act 2016* for development application fees, *Food Act 2001* for audits and inspections of food premises, *South Australian Public Health (Legionella) Regulations 2018* for water system inspections, and *Dog and Cat Management Act 1995* for animal management fees.

These charges have been increased by CPI in this plan.

## User charges

User charges relate to fee-for-service activities which include accommodation at our two tourist parks, membership fees for our golf course, hiring of our recreation centres, community halls and other venues, events and patronage at the McLaren Vale Visitor Information Centre, additional waste bins, NDIS services, leases and licences, and purchase of recycled water. Where possible, the charges set for these activities

should recover the full cost of delivering the service. At a minimum, charges should increase by CPI each year, and this has been factored into this plan.

### **Grants, subsidies and contributions – capital**

In line with the LGA's Model Financial Statements, grant funding received for the renewal of assets is required to be shown in the operating position. This has included State and Federal funding for specific projects and projects funded by the Local Roads and Community Infrastructure (LRCI) program from 2021. The LTFP forecasts moderate levels of revenue for renewal projects for the next 10 years (generally between \$1.5 million - \$2 million annually).

### **Grants, subsidies and contributions – operating**

Operating grants include Financial Assistance Grants (General and Local Roads), Roads to Recovery funding, library grants, and funding for various community services including respite and social support programs. It is anticipated that there will be an increase in Roads to Recovery funding over the next three years, and this has been included in the forecasts in this plan.

The timing of the receipt of Financial Assistance Grants has been a challenge for the sector over the past few years, with this funding required to be recognised in the financial statements of the year it is received. The LTFP assumes receipt of the Financial Assistance Grants in the year it is allocated for however this continues to pose a risk if payments are not received consistently each year.

### **Investment income**

Limited interest income based on cash flow has been included in the LTFP, with assumed interest rates over the life of the plan ranging between 3-4 per cent. As council generates operating surpluses in the future, the ability to generate additional investment income may increase.

### **Reimbursements and other income**

Reimbursements and other income includes diesel and workers compensation rebates, property reimbursements, salary reimbursements from board-managed community centres, and internal charges such as fleet and sign shop charges.

### **Net gain – equity accounted joint venture**

The Southern Region Waste Resource Authority (SRWRA) is a regional subsidiary established by the City of Onkaparinga, Marion and Holdfast Bay, as per section 43 of the Act. Under equity accounting standards, we recognise within our financial statements our proportion (55 per cent of any net surplus (or deficit) achieved by this joint venture each year. This gain is generally non-cash but is recognised in our operating income. Our annual budget for this gain is based on SRWRA's budgeted surplus. For the purposes of the LTFFP, no additional increase on the 2025-26 budget has been included but will be updated each year following the release of SRWRA's budget.

### **Income for new or upgraded assets**

The last three years has seen significant amounts of funding received for new and upgraded assets due to LRCl and various State and Federal election commitments. Not all funding received was for projects within our forward plan, which puts additional pressure on our operating position as we need to fund the ongoing maintenance and renewal of those additional assets. Our current advocacy plan focuses on projects we have identified as needing to be delivered, such as those responding to the growth of our city.

Between \$1 - \$1.5 million of capital income for new or upgraded assets has been included in this plan, which is conservative. This assumption will be updated as further commitments are identified.

### **Proceeds from disposal of assets**

Income from the disposal of plant and fleet assets at the end of their useful lives has been factored in at around \$900,000 per year.

The LTFFP also contains \$3 million of annual proceeds resulting from the sale of surplus assets, until 2033-34.

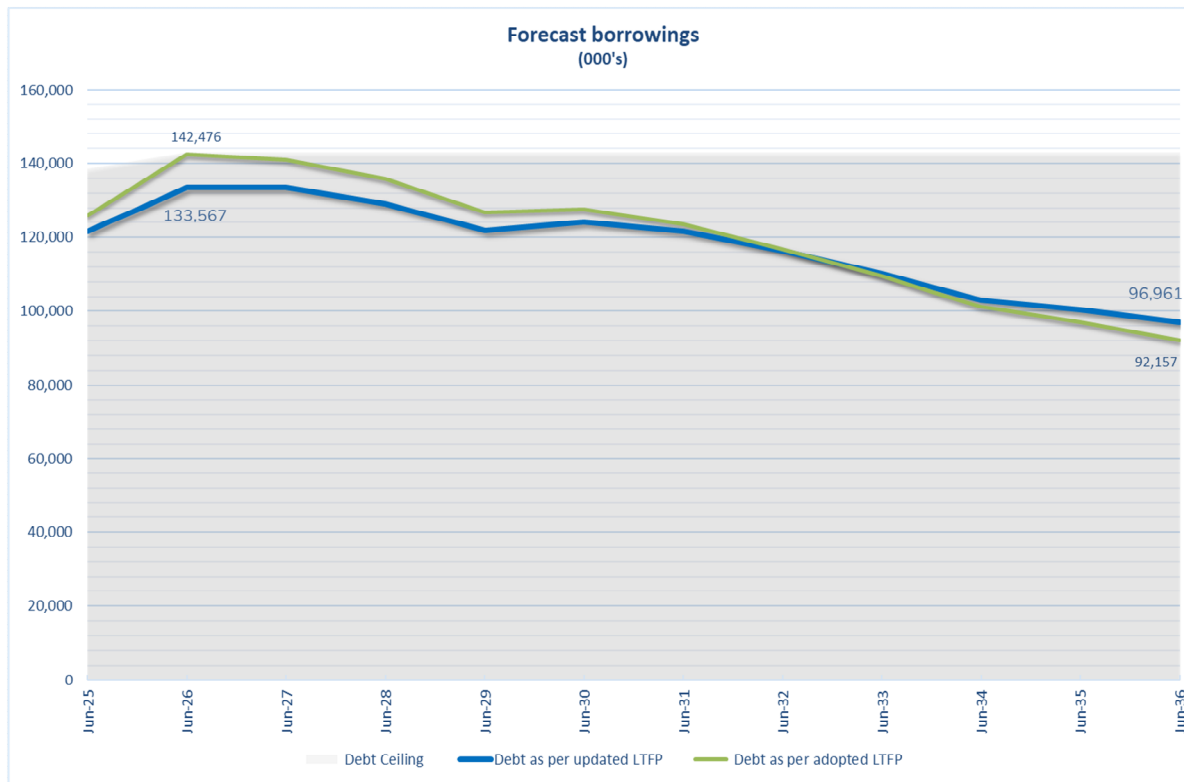
The advice from ESCOSA emphasised the need to dispose of assets that have reached the end of their useful lives, or are excess to requirements, to reduce debt and exposure to future liabilities. This requires a significant commitment from Council to follow through on.

## Borrowings

Borrowings provide a source of funding for councils particularly when building assets that will benefit future generations. Borrowings need to be managed and councils are required to demonstrate they can service the debt.

Funding received in advance for capital works projects over the last few years has temporarily reduced the level of borrowings, however this will increase as those funds are utilised for their specific purpose.

Based on the capital expenditure forecasts (which align to those in the SAMP), projected operating surpluses and other assumptions within this plan including an allowance for capital project carryforwards from 2025-26, borrowings remain below the adopted debt ceiling of \$143.0 million.



# Key Financial Indicators

Council has adopted a suite of Key Financial Indicators (KFIs) that are primarily based on those included in the Model Financial Statements and those recommended by the Local Government Association and Local Government Financial Managers Group as appropriate for measuring financial sustainability in the context of Local Government.

Additional measures for the level of borrowings, interest ratio cover and debt servicing have been included to monitor debt management.

Council has adopted targets for each of these KFIs, as summarised below.

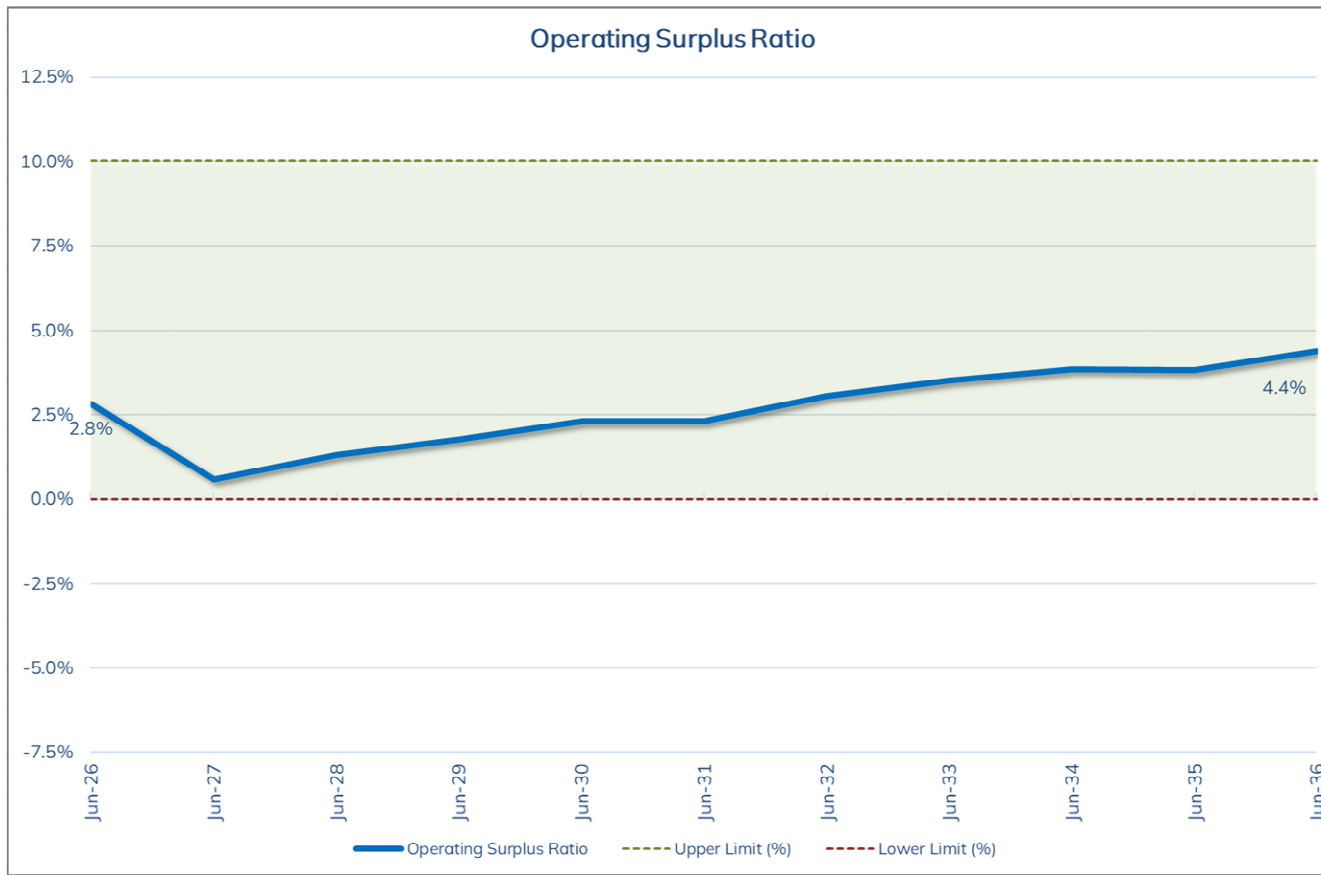
Key Financial Indicator	Target	Jun-26	Jun-27	Jun-28	Jun-29	Jun-30	Jun-31	Jun-32	Jun-33	Jun-34	Jun-35	Jun-36
Operating Surplus Ratio	0-10%	2.8%	0.6%	1.3%	1.8%	2.3%	2.3%	3.1%	3.5%	3.9%	3.8%	4.4%
Net financial liabilities ratio	<100%	66.0%	64.6%	60.8%	55.7%	54.8%	51.9%	48.2%	44.4%	40.5%	38.3%	35.9%
Asset renewal funding ratio	90% - 110%	109.1%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Level of borrowings (against debt ceiling)	<100%	93.4%	93.4%	90.4%	85.2%	86.9%	85.1%	81.3%	77.0%	72.0%	70.1%	67.8%
Interest cover ratio	<5%	3.4%	3.0%	2.6%	2.5%	2.4%	2.3%	2.2%	2.0%	1.8%	1.6%	1.5%
Debt servicing	<10%	5.7%	4.1%	4.7%	6.1%	3.0%	3.3%	4.2%	4.5%	4.4%	2.6%	2.8%

## Operating surplus ratio

The operating surplus ratio expresses the operating position as a percentage of total operating revenue. A negative ratio shows that expenses are higher than income.

The target operating surplus ratio is between 0 – 10 per cent.

Over the life of this plan, the operating surplus ratio sits between 0.6 – 3.9 per cent, remaining positive.

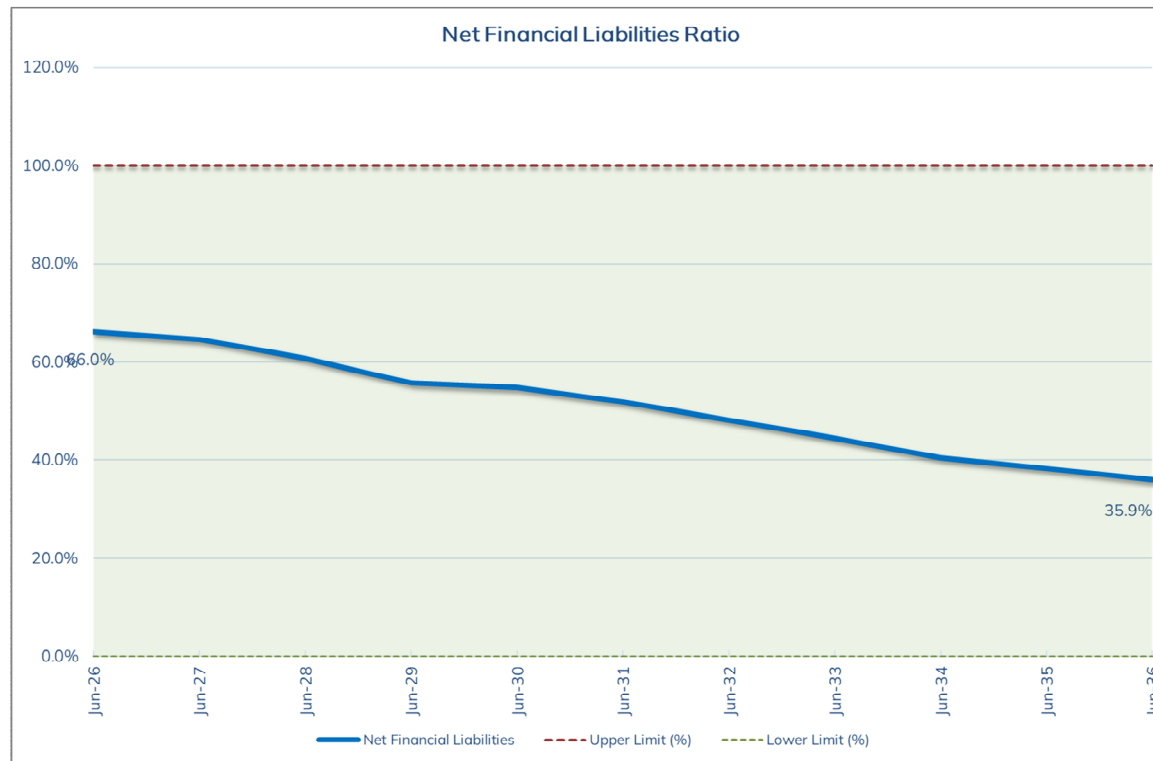


## Net financial liabilities ratio

The net financial liabilities ratio expresses the net amount owing to others (total amount owing including borrowings and provisions, less any receivables that can be converted to cash such as cash at bank and debtors) as a percentage of total operating income. It is a measurement of how well council's annual operating income can cover these liabilities.

The target net financial liabilities ratio is below 100 per cent. This indicates that council can repay their liabilities, including borrowings, with the annual income generated.

Over the life of this plan, the net financial liabilities ratio peaks at 66.0 per cent and then declines to 35.9 per cent as borrowings reduce and income increases. This is highly dependent upon council being able to maintain the assumptions and operating surpluses set out in this plan.

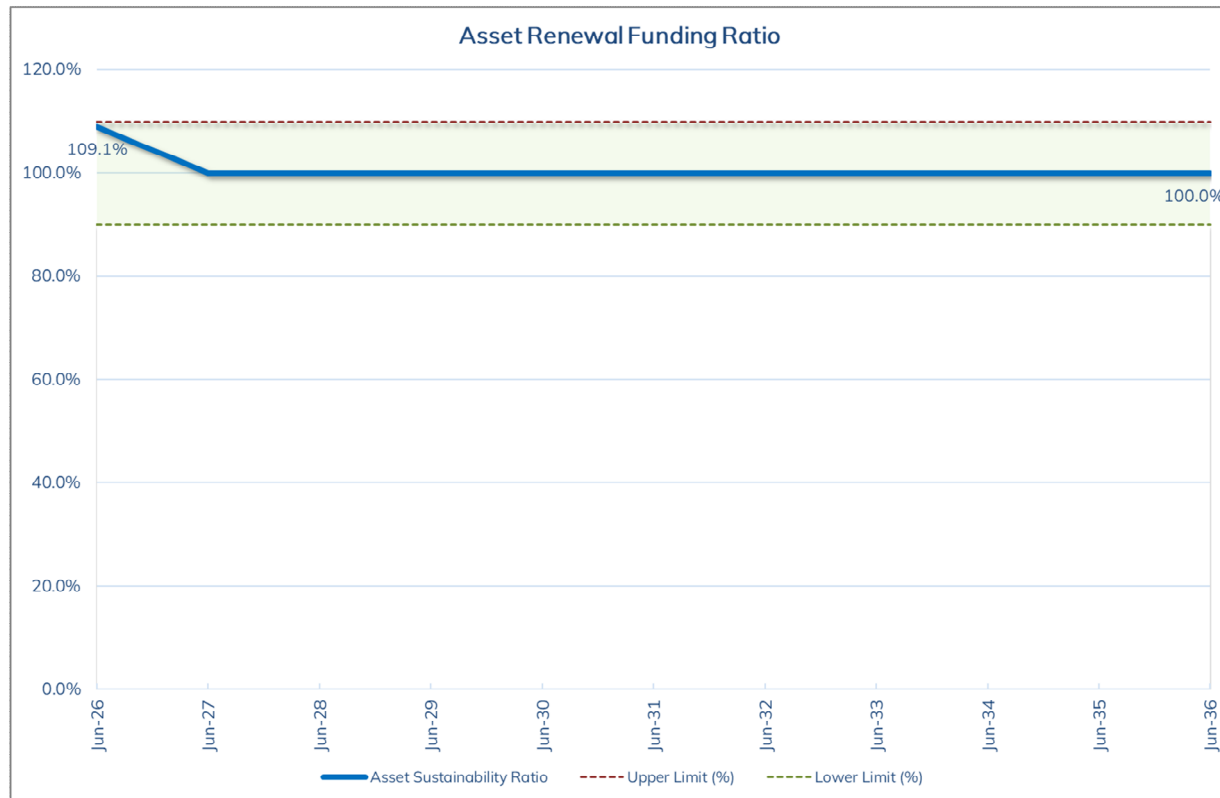


## Asset renewal funding ratio

The asset renewal funding ratio expresses expenditure on asset renewal as a percentage of the projected funding required for asset renewal, as outlined in the SAMP. This ratio measures how we are delivering on the renewal requirements set out in our asset management plans.

The target asset renewal funding ratio is between 90 per cent – 110 per cent, recognising that expenditure may increase or decrease in a given year but on average should remain within the target.

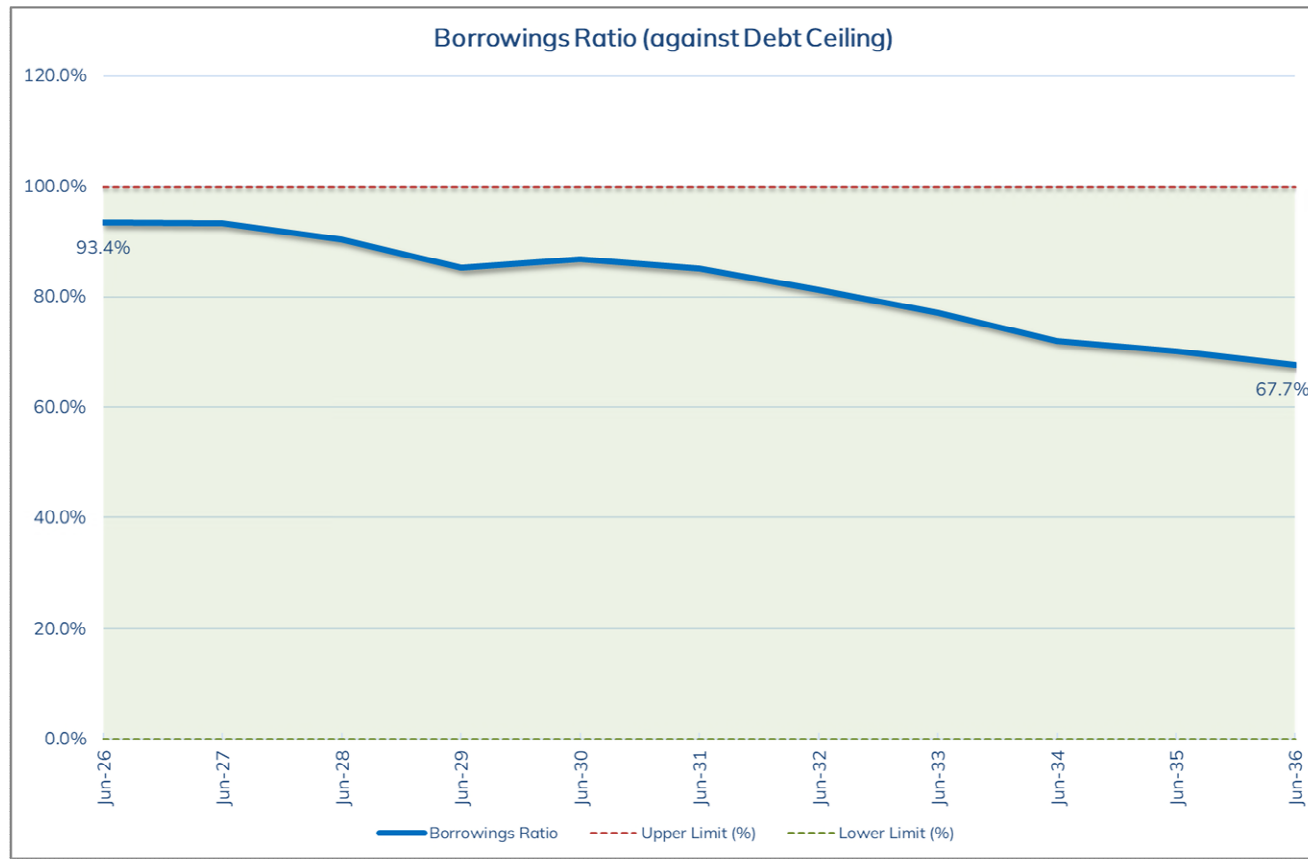
Over the life of this plan, the asset renewal funding ratio is maintained at 100 per cent, demonstrating that the renewal forecasts within this plan are aligned to the forecast requirements within the SAMP.



## Level of borrowings

The borrowings ratio is measuring the percentage of borrowings against the debt ceiling of \$143.0 million, as per the adopted LTFP.

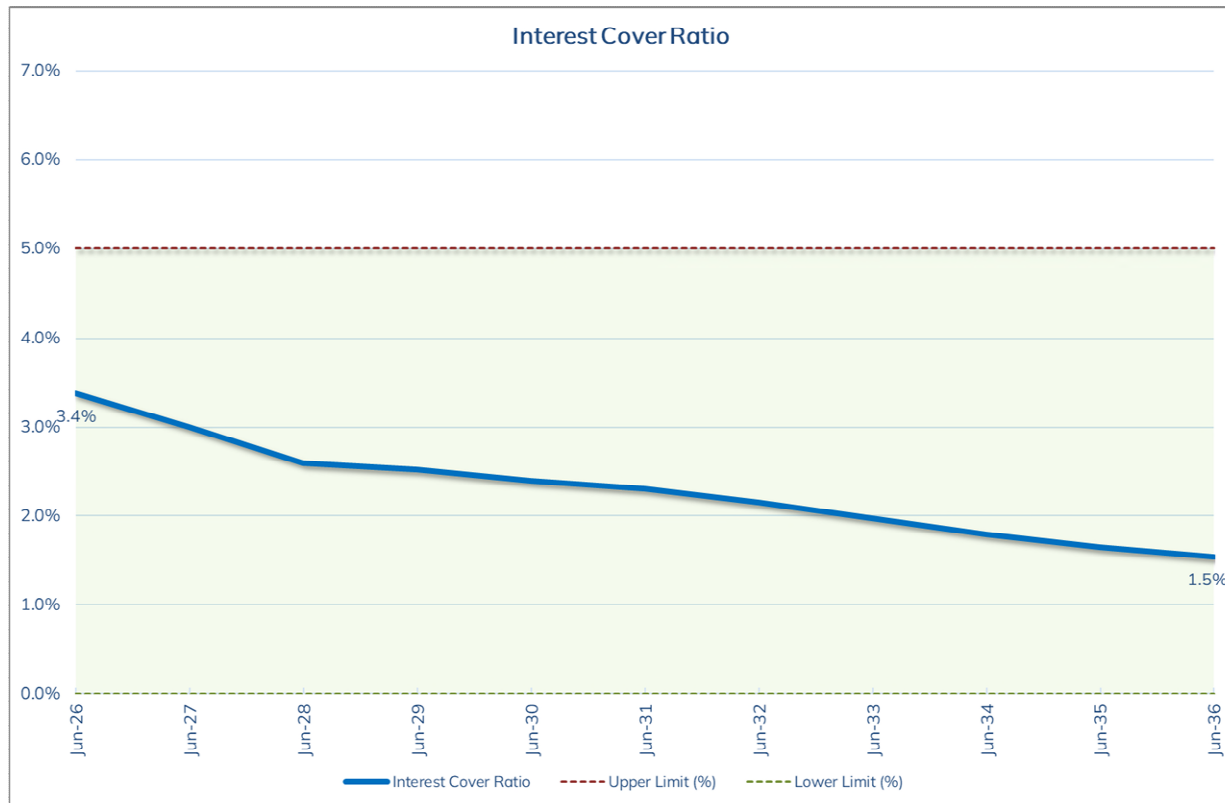
As outlined in the second LTFP principle, additional debt may be accessed for capital investment purposes where the return will cover the associated interest costs and provide a reasonable payback period. These opportunities may be explored in future versions of the LTFP.



## Interest cover ratio

The interest cover ratio measures the percentage of total operating income being used to pay interest on loans.

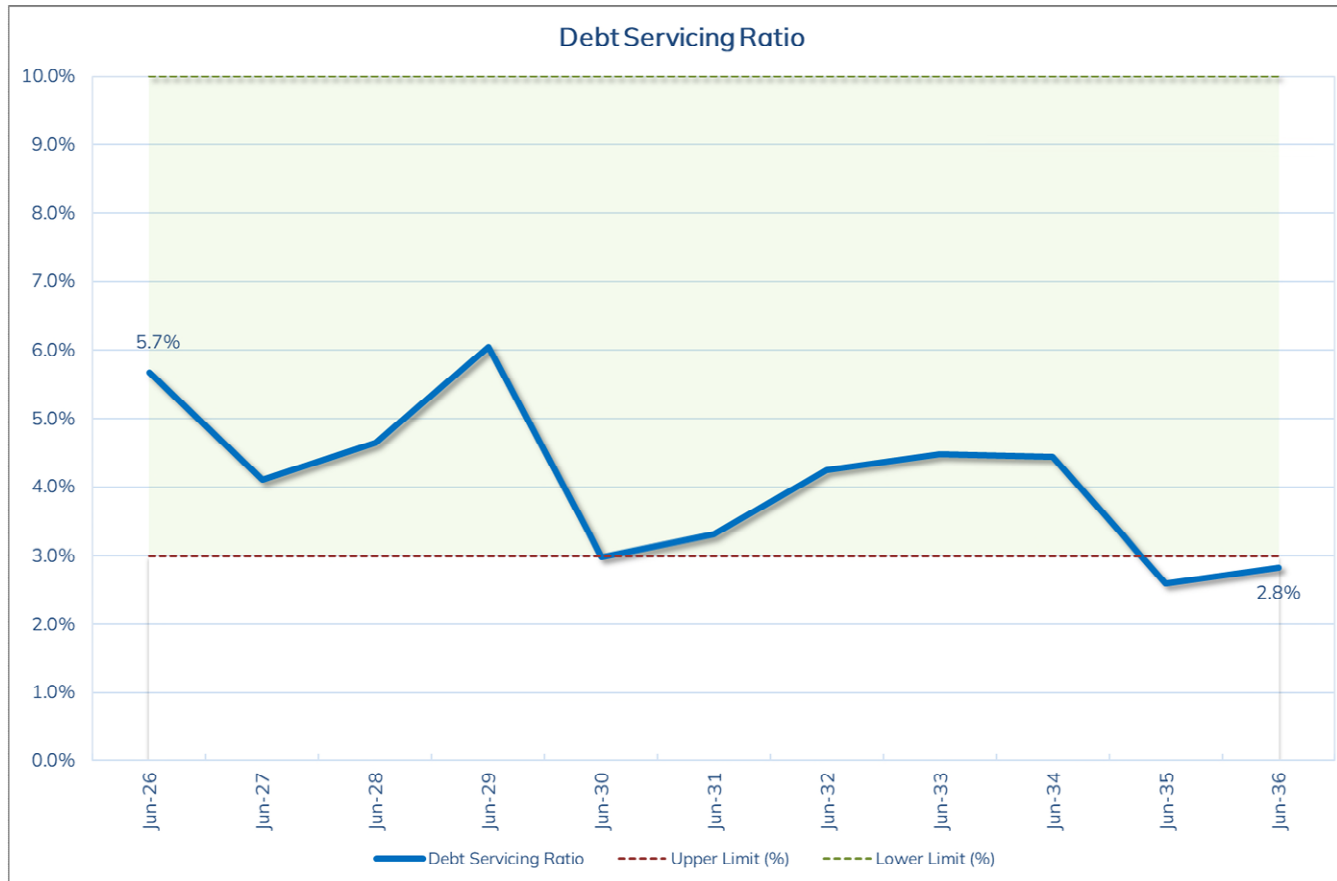
The target interest cover ratio is between 0 – 5 per cent. Over the life of this plan, the interest cover ratio is within the target range, with total interest costs estimated to be \$60.4 million over the 10-year forecast.



## Debt servicing ratio

The debt servicing ratio measures the total cost of repayments and interest as a percentage of total operating income.

The target range for this ratio is under 10 per cent, and preferably between 3 and 10 per cent. The City of Onkaparinga hold a minimal amount of fixed-term loans, so this chart represents repayment of variable loans as cash surpluses are generated.



**STATEMENT OF COMPREHENSIVE INCOME**

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36
<b>Draft budget</b>											
<b>Operating income</b>											
Rates	184,902	191,402	198,625	206,120	213,898	222,270	230,959	239,976	249,034	258,435	268,191
Statutory charges	4,887	5,043	5,195	5,351	5,511	5,676	5,847	6,022	6,203	6,389	6,580
User charges	12,687	13,093	13,486	13,890	14,307	14,736	15,178	15,634	16,103	16,586	17,083
Grants, subsidies and contributions - capital	8,053	1,607	772	1,364	1,171	1,206	1,242	1,279	1,317	1,357	1,398
Grants, subsidies and contributions - operating	18,692	20,148	20,677	20,883	21,092	21,303	21,516	21,731	21,949	22,168	22,390
Investment income	98	101	105	108	111	114	118	122	125	129	133
Reimbursements	721	744	766	789	813	837	863	888	915	943	971
Other income	2,690	2,776	2,859	2,945	3,033	3,125	3,218	3,315	3,414	3,517	3,622
Net gain - equity accounted joint venture	330	330	330	330	330	330	330	330	330	330	330
<b>Total operating income</b>	<b>233,060</b>	<b>235,245</b>	<b>242,814</b>	<b>251,780</b>	<b>260,266</b>	<b>269,598</b>	<b>279,271</b>	<b>289,297</b>	<b>299,391</b>	<b>309,853</b>	<b>320,698</b>
<b>Operating expenses</b>											
Employee costs	91,377	94,335	97,718	101,222	104,352	108,096	111,975	115,995	120,159	124,474	128,944
Materials, contracts and other expenses	83,372	87,278	89,453	92,545	95,383	99,617	102,089	105,593	109,216	114,032	116,881
Finance costs	7,966	7,164	6,405	6,466	6,337	6,332	6,127	5,830	5,489	5,233	5,077
Depreciation and amortisation	43,762	45,115	46,090	47,074	48,170	49,354	50,524	51,727	52,973	54,273	55,689
<b>Total operating expenses</b>	<b>226,477</b>	<b>233,892</b>	<b>239,666</b>	<b>247,306</b>	<b>254,241</b>	<b>263,399</b>	<b>270,715</b>	<b>279,145</b>	<b>287,837</b>	<b>298,013</b>	<b>306,594</b>
<b>Operating surplus/(deficit) before capital amounts</b>	<b>6,583</b>	<b>1,353</b>	<b>3,148</b>	<b>4,474</b>	<b>6,025</b>	<b>6,199</b>	<b>8,556</b>	<b>10,152</b>	<b>11,554</b>	<b>11,840</b>	<b>14,104</b>
<b>Capital income</b>											
Amounts received specifically for new or upgraded assets	971	1,071	1,103	1,136	1,171	1,206	1,242	1,279	1,317	1,357	1,398
Physical resources received free of charge	-	-	-	-	-	-	-	-	-	1	2
Proceeds from disposal of assets	3,759	4,037	4,310	3,972	4,444	4,385	4,419	4,273	4,461	1,505	1,550
<b>Net surplus/(deficit)</b>	<b>11,313</b>	<b>6,461</b>	<b>8,561</b>	<b>9,582</b>	<b>11,640</b>	<b>11,790</b>	<b>14,217</b>	<b>15,704</b>	<b>17,333</b>	<b>14,703</b>	<b>17,054</b>
<b>Other comprehensive income</b>											
Changes in revaluation surplus - infrastructure, property, plant and equipment	64,743	60,096	52,885	54,472	56,106	57,789	59,523	61,309	63,148	68,042	70,083
<b>Total other comprehensive income</b>	<b>64,744</b>	<b>60,098</b>	<b>52,888</b>	<b>54,476</b>	<b>56,111</b>	<b>57,795</b>	<b>59,530</b>	<b>61,317</b>	<b>63,157</b>	<b>68,052</b>	<b>70,094</b>
<b>Total comprehensive income</b>	<b>76,057</b>	<b>66,559</b>	<b>61,449</b>	<b>64,058</b>	<b>67,751</b>	<b>69,585</b>	<b>73,747</b>	<b>77,021</b>	<b>80,490</b>	<b>82,755</b>	<b>87,148</b>

**STATEMENT OF FINANCIAL POSITION**

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36
<b>Draft budget</b>											
<b>Current assets</b>											
Cash and cash equivalents	-	-	-	-	-	-	-	-	-	-	-
Trade and other receivables	23,408	23,408	23,408	23,408	23,408	23,408	23,408	23,408	23,408	23,408	23,408
Inventories	75	75	75	75	75	75	75	75	75	75	75
<b>Total current assets</b>	<b>23,483</b>	<b>23,483</b>	<b>23,483</b>	<b>23,483</b>	<b>23,483</b>	<b>23,483</b>	<b>23,483</b>	<b>23,483</b>	<b>23,483</b>	<b>23,483</b>	<b>23,483</b>
<b>Non-current assets</b>											
Financial Assets	986	986	986	986	986	986	986	986	986	986	986
Equity accounted investments in council businesses	15,491	15,821	16,151	16,481	16,811	17,141	17,471	17,801	18,131	18,461	18,791
Infrastructure, property, plant and equipment	2,566,111	2,630,314	2,687,121	2,743,484	2,813,250	2,879,974	2,947,928	3,018,538	3,091,510	3,171,182	3,254,675
Other non-current assets	-	-	-	-	-	-	-	-	-	-	-
<b>Total non-current assets</b>	<b>2,582,588</b>	<b>2,647,121</b>	<b>2,704,258</b>	<b>2,760,951</b>	<b>2,831,047</b>	<b>2,898,101</b>	<b>2,966,385</b>	<b>3,037,325</b>	<b>3,110,627</b>	<b>3,190,629</b>	<b>3,274,452</b>
<b>Total assets</b>	<b>2,606,071</b>	<b>2,670,604</b>	<b>2,727,741</b>	<b>2,784,434</b>	<b>2,854,530</b>	<b>2,921,584</b>	<b>2,989,868</b>	<b>3,060,808</b>	<b>3,134,110</b>	<b>3,214,112</b>	<b>3,297,935</b>
<b>Current liabilities</b>											
Trade and other payables	24,130	22,130	22,130	22,130	22,130	22,130	22,130	22,130	22,130	22,130	22,130
Short term borrowings	38,309	38,309	38,309	38,309	38,309	38,309	38,309	38,309	38,309	38,309	38,309
Short term provisions	9,056	9,056	9,056	9,056	9,056	9,056	9,056	9,056	9,056	9,056	9,056
<b>Total current liabilities</b>	<b>71,495</b>	<b>69,495</b>	<b>69,495</b>	<b>69,495</b>	<b>69,495</b>	<b>69,495</b>	<b>69,495</b>	<b>69,495</b>	<b>69,495</b>	<b>69,495</b>	<b>69,495</b>
<b>Non-current liabilities</b>											
Long term borrowings	95,258	95,233	90,923	83,563	85,913	83,387	77,932	71,859	64,681	61,938	58,624
Long term provisions	6,829	6,829	6,829	6,829	6,829	6,829	6,829	6,829	6,829	6,829	6,829
Other non current-liabilities	4,740	4,740	4,740	4,740	4,740	4,740	4,740	4,740	4,740	4,740	4,740
<b>Total non-current liabilities</b>	<b>106,827</b>	<b>106,802</b>	<b>102,492</b>	<b>95,132</b>	<b>97,482</b>	<b>94,956</b>	<b>89,501</b>	<b>83,428</b>	<b>76,250</b>	<b>73,507</b>	<b>70,193</b>
<b>Total liabilities</b>	<b>178,322</b>	<b>176,297</b>	<b>171,987</b>	<b>164,627</b>	<b>166,977</b>	<b>164,451</b>	<b>158,996</b>	<b>152,923</b>	<b>145,745</b>	<b>143,002</b>	<b>139,688</b>
<b>Net assets</b>	<b>2,427,749</b>	<b>2,494,307</b>	<b>2,555,754</b>	<b>2,619,807</b>	<b>2,687,553</b>	<b>2,757,133</b>	<b>2,830,872</b>	<b>2,907,885</b>	<b>2,988,365</b>	<b>3,071,110</b>	<b>3,158,247</b>
<b>Equity</b>											
Accumulated surplus	606,750	613,671	622,807	633,805	649,214	661,064	675,540	692,280	710,243	725,005	742,752
Asset revaluation reserve	1,802,746	1,862,842	1,915,727	1,970,199	2,026,305	2,084,094	2,143,617	2,204,926	2,268,073	2,336,116	2,406,199
Other reserves	18,254	17,794	17,220	15,804	12,036	11,975	11,716	10,681	10,050	9,990	9,297
<b>Total equity</b>	<b>2,427,750</b>	<b>2,494,307</b>	<b>2,555,754</b>	<b>2,619,808</b>	<b>2,687,554</b>	<b>2,757,134</b>	<b>2,830,873</b>	<b>2,907,886</b>	<b>2,988,366</b>	<b>3,071,111</b>	<b>3,158,248</b>

**STATEMENT OF CASH FLOWS**

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36
<b>Draft budget</b>											
<b>Cash flows from operating activities</b>											
<b>Receipts</b>											
Operating receipts	224,909	233,537	241,937	250,308	258,985	268,278	277,911	287,897	297,948	308,367	319,167
Investment receipts	98	101	105	108	111	114	118	122	125	129	133
<b>Payments</b>											
Operating payments to suppliers and employees	(174,749)	(181,613)	(187,170)	(193,766)	(199,734)	(207,713)	(214,065)	(221,588)	(229,375)	(238,507)	(245,828)
Finance payments	(7,966)	(7,164)	(6,405)	(6,466)	(6,337)	(6,332)	(6,127)	(5,830)	(5,489)	(5,233)	(5,077)
<b>Net cash flows from operating activities</b>	<b>42,292</b>	<b>44,861</b>	<b>48,467</b>	<b>50,184</b>	<b>53,025</b>	<b>54,347</b>	<b>57,838</b>	<b>60,600</b>	<b>63,209</b>	<b>64,755</b>	<b>68,395</b>
<b>Cash flows from investment activities</b>											
<b>Receipts</b>											
Grants specifically for new or upgraded assets	971	1,071	1,103	1,136	1,171	1,206	1,242	1,279	1,317	1,357	1,398
Proceeds from sale of assets	3,759	4,037	4,310	3,972	4,444	4,385	4,419	4,273	4,461	1,505	1,550
<b>Payments</b>											
Expenditure on renewal/replacement of assets	(43,240)	(39,134)	(40,218)	(39,701)	(52,611)	(48,479)	(49,659)	(51,453)	(52,935)	(53,932)	(56,182)
Expenditure on new/upgraded assets	(9,697)	(10,088)	(9,795)	(9,264)	(9,219)	(9,809)	(9,296)	(9,575)	(9,863)	(11,970)	(12,916)
<b>Net cash flows from investment activities</b>	<b>(48,208)</b>	<b>(44,114)</b>	<b>(44,599)</b>	<b>(43,857)</b>	<b>(56,215)</b>	<b>(52,697)</b>	<b>(53,294)</b>	<b>(55,477)</b>	<b>(57,019)</b>	<b>(63,041)</b>	<b>(66,151)</b>
<b>Cash flows from financing activities</b>											
<b>Receipts</b>											
Proceeds from borrowings	4,341	-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Repayments of borrowings	(5,272)	(2,484)	(4,885)	(8,776)	(1,418)	(2,586)	(5,715)	(7,108)	(7,809)	(2,802)	(4,008)
<b>Net cash flows from financing activities</b>	<b>(931)</b>	<b>(2,484)</b>	<b>(4,885)</b>	<b>(8,776)</b>	<b>(1,418)</b>	<b>(2,586)</b>	<b>(5,715)</b>	<b>(7,108)</b>	<b>(7,809)</b>	<b>(2,802)</b>	<b>(4,008)</b>
<b>Net increase/(decrease) in cash held</b>	<b>(6,847)</b>	<b>(1,737)</b>	<b>(1,017)</b>	<b>(2,449)</b>	<b>(4,608)</b>	<b>(936)</b>	<b>(1,171)</b>	<b>(1,985)</b>	<b>(1,619)</b>	<b>(1,088)</b>	<b>(1,764)</b>
<b>Cash and cash equivalents at beginning of reporting period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>2</b>
<b>Cash and cash equivalents at end of reporting period</b>	<b>(6,847)</b>	<b>(1,737)</b>	<b>(1,017)</b>	<b>(2,449)</b>	<b>(4,608)</b>	<b>(936)</b>	<b>(1,171)</b>	<b>(1,985)</b>	<b>(1,619)</b>	<b>(1,088)</b>	<b>(1,764)</b>
<b>Represented by:</b>											
<i>Cash and cash equivalents</i>	-	-	-	-	-	-	-	-	-	1	2
<i>Less: Short term cash advance drawdowns</i>	(6,847)	(1,737)	(1,017)	(2,449)	(4,608)	(936)	(1,171)	(1,985)	(1,619)	(1,088)	(1,764)

STATEMENT OF CHANGES IN EQUITY

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36
<b>Draft budget</b>											
<b>Accumulated surplus</b>											
Balance at end of previous reporting period	587,939	606,750	613,671	622,808	633,806	649,214	661,065	675,541	692,279	710,243	725,007
Surplus/(deficit) from operations	18,811	6,461	8,561	9,582	11,640	11,790	14,217	15,704	17,333	14,703	17,054
Transfer (to) / from other reserves		460	577	1,416	3,768	60	260	1,035	631	60	693
<b>Balance at end of period</b>	<b>606,750</b>	<b>613,671</b>	<b>622,808</b>	<b>633,806</b>	<b>649,214</b>	<b>661,065</b>	<b>675,541</b>	<b>692,279</b>	<b>710,243</b>	<b>725,007</b>	<b>742,756</b>
<b>Asset revaluation reserve</b>											
Balance at end of previous reporting period	1,738,003	1,802,746	1,862,842	1,915,727	1,970,199	2,026,305	2,084,094	2,143,617	2,204,926	2,268,074	2,336,116
Gain on revaluation of infrastructure, property, plant and equipment	64,743	60,096	52,885	54,472	56,106	57,789	59,523	61,309	63,148	68,042	70,083
<b>Balance at end of period</b>	<b>1,802,746</b>	<b>1,862,842</b>	<b>1,915,727</b>	<b>1,970,199</b>	<b>2,026,305</b>	<b>2,084,094</b>	<b>2,143,617</b>	<b>2,204,926</b>	<b>2,268,074</b>	<b>2,336,116</b>	<b>2,406,199</b>
<b>Other reserves</b>											
Balance at beginning of period	17,377	18,253	17,794	17,219	15,803	12,035	11,975	11,715	10,680	10,049	9,988
Transfers to reserve	4,120	-	-	-	-	-	-	-	-	-	-
Transfers from reserve	(3,244)	(460)	(575)	(1,416)	(3,768)	(60)	(260)	(1,035)	(631)	(60)	(693)
<b>Balance at end of period</b>	<b>18,253</b>	<b>17,794</b>	<b>17,219</b>	<b>15,803</b>	<b>12,035</b>	<b>11,975</b>	<b>11,715</b>	<b>10,680</b>	<b>10,049</b>	<b>9,988</b>	<b>9,293</b>
<b>Total equity</b>	<b>2,427,749</b>	<b>2,494,308</b>	<b>2,555,754</b>	<b>2,619,808</b>	<b>2,687,554</b>	<b>2,757,134</b>	<b>2,830,873</b>	<b>2,907,885</b>	<b>2,988,366</b>	<b>3,071,111</b>	<b>3,158,248</b>

**FUNDING STATEMENT**

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36
Draft budget											
<b>Operating activities</b>											
<b>Income</b>											
Rates revenues	184,902	191,402	198,625	206,120	213,898	222,270	230,959	239,976	249,034	258,435	268,191
Statutory charges	4,887	5,043	5,195	5,351	5,511	5,676	5,847	6,022	6,203	6,389	6,580
User charges	12,687	13,093	13,486	13,890	14,307	14,736	15,178	15,634	16,103	16,586	17,083
Grants, subsidies and contributions - operating	18,692	20,148	20,677	20,883	21,092	21,303	21,516	21,731	21,949	22,168	22,390
Investment income	98	101	105	108	111	114	118	122	125	129	133
Reimbursements	721	744	766	789	813	837	863	888	915	943	971
Other income	2,690	2,776	2,859	2,945	3,033	3,125	3,218	3,315	3,414	3,517	3,622
Net gain - equity accounted joint venture	330	330	330	330	330	330	330	330	330	330	330
<b>Total income</b>	<b>225,007</b>	<b>233,639</b>	<b>242,042</b>	<b>250,416</b>	<b>259,096</b>	<b>268,392</b>	<b>278,029</b>	<b>288,018</b>	<b>298,073</b>	<b>308,496</b>	<b>319,300</b>
<b>Expenditure</b>											
Employee costs	91,377	94,335	97,718	101,222	104,352	108,096	111,975	115,995	120,159	124,474	128,944
Materials, contracts and other expenses	83,372	87,278	89,453	92,545	95,383	99,617	102,089	105,593	109,216	114,032	116,881
Depreciation and amortisation	43,762	45,115	46,090	47,074	48,170	49,354	50,524	51,727	52,973	54,273	55,689
Finance costs	7,966	7,164	6,405	6,466	6,337	6,332	6,127	5,830	5,489	5,233	5,077
<b>Total expenses</b>	<b>226,477</b>	<b>233,892</b>	<b>239,666</b>	<b>247,306</b>	<b>254,241</b>	<b>263,399</b>	<b>270,715</b>	<b>279,145</b>	<b>287,837</b>	<b>298,012</b>	<b>306,592</b>
<b>Operating surplus / (deficit) before capital renewal income</b>	<b>(1,470)</b>	<b>(254)</b>	<b>2,376</b>	<b>3,110</b>	<b>4,855</b>	<b>4,993</b>	<b>7,314</b>	<b>8,873</b>	<b>10,236</b>	<b>10,484</b>	<b>12,709</b>
Grants, subsidies and contributions - capital	8,053	1,607	772	1,364	1,171	1,206	1,242	1,279	1,317	1,357	1,398
<b>Total Operating surplus / (deficit)</b>	<b>6,583</b>	<b>1,352</b>	<b>3,148</b>	<b>4,474</b>	<b>6,025</b>	<b>6,199</b>	<b>8,556</b>	<b>10,153</b>	<b>11,554</b>	<b>11,841</b>	<b>14,104</b>
<b>Capital projects</b>											
<b>Renewal</b>											
Project expenses	43,240	39,134	40,218	39,701	52,611	48,479	49,659	51,453	52,935	53,932	56,182
<i>Less:</i>											
Grants, subsidies and contributions	8,052	1,607	772	1,364	1,171	1,206	1,242	1,279	1,317	1,357	1,398
Developer contributions	-	-	-	-	-	-	-	-	-	-	-
Other income	659	1,037	1,310	972	1,444	1,385	1,419	1,273	1,461	1,505	1,550
<b>Net renewal expense</b>	<b>34,529</b>	<b>36,490</b>	<b>38,135</b>	<b>37,366</b>	<b>49,996</b>	<b>45,888</b>	<b>46,998</b>	<b>48,901</b>	<b>50,156</b>	<b>51,071</b>	<b>53,234</b>
<b>New and Significant Upgrades</b>											
Project expenses	9,697	10,088	9,795	9,264	9,219	9,809	9,296	9,575	9,863	11,970	12,916
<i>Less:</i>											
Grants, subsidies and contributions	-	1,071	1,103	1,136	1,171	1,206	1,242	1,279	1,317	1,357	1,398
Developer contributions	971	-	-	-	-	-	-	-	-	-	-
Other income	3,100	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	-
<b>Net new and significant upgrade expense</b>	<b>5,626</b>	<b>6,017</b>	<b>5,691</b>	<b>5,128</b>	<b>5,049</b>	<b>5,604</b>	<b>5,055</b>	<b>5,296</b>	<b>5,545</b>	<b>10,613</b>	<b>11,518</b>
<b>Capital Project Expenditure</b>	<b>40,155</b>	<b>42,507</b>	<b>43,827</b>	<b>42,494</b>	<b>55,044</b>	<b>51,492</b>	<b>52,052</b>	<b>54,197</b>	<b>55,701</b>	<b>61,684</b>	<b>64,753</b>



	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36
<b>Draft budget</b>											
<b>Operating surplus/(deficit)</b>											
<b>Income</b>											
Rates	184,902	191,402	198,625	206,120	213,898	222,270	230,959	239,976	249,034	258,435	268,191
Statutory charges	4,887	5,043	5,195	5,351	5,511	5,676	5,847	6,022	6,203	6,389	6,580
User charges	12,687	13,093	13,486	13,890	14,307	14,736	15,178	15,634	16,103	16,586	17,083
Grants, subsidies and contributions - capital	8,053	1,607	772	1,364	1,171	1,206	1,242	1,279	1,317	1,357	1,398
Grants, subsidies and contributions - operating	18,692	20,148	20,677	20,883	21,092	21,303	21,516	21,731	21,949	22,168	22,390
Investment income	98	101	105	108	111	114	118	122	125	129	133
Reimbursments	721	744	766	789	813	837	863	888	915	943	971
Other income	2,690	2,776	2,859	2,945	3,033	3,125	3,218	3,315	3,414	3,517	3,622
Net gain - equity accounted council businesses	330	330	330	330	330	330	330	330	330	330	330
<b>Total income</b>	<b>233,060</b>	<b>235,245</b>	<b>242,814</b>	<b>251,780</b>	<b>260,266</b>	<b>269,598</b>	<b>279,271</b>	<b>289,297</b>	<b>299,391</b>	<b>309,853</b>	<b>320,698</b>
<b>Expenses</b>											
Employee costs	91,377	94,335	97,718	101,222	104,352	108,096	111,975	115,995	120,159	124,474	128,944
Materials, contracts and other expenses	83,372	87,278	89,453	92,545	95,383	99,617	102,089	105,593	109,216	114,032	116,881
Depreciation, amortisation and impairment	7,966	7,164	6,405	6,466	6,337	6,332	6,127	5,830	5,489	5,233	5,077
Finance costs	43,762	45,115	46,090	47,074	48,170	49,354	50,524	51,727	52,973	54,273	55,689
<b>Total expenses</b>	<b>226,477</b>	<b>233,892</b>	<b>239,666</b>	<b>247,306</b>	<b>254,241</b>	<b>263,399</b>	<b>270,715</b>	<b>279,145</b>	<b>287,837</b>	<b>298,012</b>	<b>306,592</b>
<b>Operating surplus/(deficit)</b>	<b>6,583</b>	<b>1,353</b>	<b>3,149</b>	<b>4,474</b>	<b>6,026</b>	<b>6,199</b>	<b>8,556</b>	<b>10,153</b>	<b>11,553</b>	<b>11,841</b>	<b>14,106</b>
<b>Less: Net outlays on existing assets</b>											
Capital expenditure on renewal and replacement of existing assets	(43,240)	(39,134)	(40,218)	(39,701)	(52,611)	(48,479)	(49,659)	(51,453)	(52,935)	(53,932)	(56,182)
Less: Depreciation, amortisation and impairment	43,762	45,115	46,090	47,074	48,170	49,354	50,524	51,727	52,973	54,273	55,689
Less: Proceeds from sale of replaced assets	659	1,037	1,310	972	1,444	1,385	1,419	1,273	1,461	1,505	1,550
<b>Net outlays on existing assets</b>	<b>1,180</b>	<b>7,018</b>	<b>7,183</b>	<b>8,345</b>	<b>(2,997)</b>	<b>2,261</b>	<b>2,284</b>	<b>1,546</b>	<b>1,500</b>	<b>1,845</b>	<b>1,057</b>
<b>Less: Net outlays on new and upgraded assets</b>											
Capital expenditure on new and upgraded assets	(9,697)	(10,088)	(9,795)	(9,264)	(9,219)	(9,809)	(9,296)	(9,575)	(9,863)	(11,970)	(12,916)
Less: Grants and contributions for new and upgraded assets	971	1,071	1,103	1,136	1,171	1,206	1,242	1,279	1,317	1,357	1,398
Less: Proceeds from sale of surplus assets	3,100	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	-	-
<b>Net outlays on new and upgraded assets</b>	<b>(5,626)</b>	<b>(6,017)</b>	<b>(5,691)</b>	<b>(5,128)</b>	<b>(5,049)</b>	<b>(5,604)</b>	<b>(5,055)</b>	<b>(5,296)</b>	<b>(5,545)</b>	<b>(10,613)</b>	<b>(11,518)</b>
<b>Net lending / (borrowing) for financial year</b>	<b>2,136</b>	<b>2,354</b>	<b>4,641</b>	<b>7,691</b>	<b>(2,020)</b>	<b>2,856</b>	<b>5,785</b>	<b>6,403</b>	<b>7,508</b>	<b>3,073</b>	<b>3,645</b>







## Appendix 9

Draft statement  
on expected  
rate revenue

The Draft Statement on Expected Rate Revenue for 2025-26 is currently still in progress.



## Appendix 10

### Draft Rating Policy

## POLICY- COUNCIL

# Rating Policy 2025-26

### CONTENTS

1. Document control .....	3
2. Preamble.....	3
3. Policy purpose.....	3
4. Definitions .....	4
5. Principles and objectives .....	5
5.1 Strategic and budget considerations .....	7
5.2 Rating strategies and methodologies.....	8
5.2.1 Valuation methodology.....	8
5.2.2 Differential rating .....	8
5.2.3 Rating in accordance with ownership or occupation .....	9
5.2.4 Contiguous land.....	9
5.2.5 Single farm entity (sfe) .....	10
5.2.6 Contribution methodology .....	10
5.2.7 Different rates.....	10
5.2.8 Fixed charge.....	11
5.2.9 Rate rebates.....	11
5.2.9.1 Rate cap rebates .....	12
5.2.10 Remission and postponed rates .....	12
5.3 State government regional landscape levy – separate rate.....	13
5.4 Service rates and charges .....	14
5.4.1 Waste and minor trade waste .....	14
5.4.2 Major trade waste.....	15
5.5 Payment of rates.....	15
5.5.1 Payment methods.....	15
5.5.2 Late payment of rates .....	15
5.5.3 Application of payments .....	16
5.5.4 Recovery of outstanding rates.....	16
5.5.5 Valuation objections.....	17
5.5.6 Land use objections.....	17



5.5.7	Fixed charge objections .....	17
5.6	Disclaimer .....	18
5.7	Community engagement .....	18
6.	Attachments .....	19
7.	Relevant legislation and references .....	19
8.	Further information .....	19

## 1. Document control

<b>Author – name and position</b> (to whom changes are recommended)	Emily Muthuvelu Team Leader Revenue
<b>Stakeholders</b> (audience and engagement groups)	Community, Elected Members, Directors, Managers and Staff
<b>Reviewed by – name and position</b>	David Stobbe Director Corporate
<b>Approved by</b> (document owner)	Council
<b>Approval date</b>	18/03/2025
<b>Approval ECM number</b>	6696671
<b>Current version number</b>	V1.1
<b>Review cycle (number of years)</b>	Review every 1 year from approval date.
<b>History</b> (previous review dates)	23/03/2022 14/11/2023 27/06/2024 18/03/2025
<b>Related policies/procedures</b>	Application for Rate Capping Postponement for Seniors Application
<b>Document location</b>	Original: DSID 6197490 Published: Website

Electronic version on the intranet or website is the controlled version.

## 2. Preamble

Council is required to raise and collect rates to balance and achieve several guiding principles and objectives. Council adopts this policy to set the rating objectives within its area. Where Council is committed to achieving standards that are not imposed upon it by statute, its commitment is to endeavor to achieve those standards or requirements within available resources. The contents and commitments in this policy is a statement of Council's general position.

## 3. Policy purpose

The purpose of this policy is to outline council's approach towards rating its communities and to meet the requirements of the *Local Government Act 1999 (SA)* (the Act) with reference to Section 123. Section 123 requires council to have a rating policy that must

be prepared and adopted (as part of the Annual Business Plan) each financial year in conjunction with the declaration of rates.

Council's rating policy and policy objectives, methodologies and rating strategies have been designed to provide a balance against the principles of taxation, whilst also balancing the community needs and broader economic and development objectives.

## 4. Definitions

Act	refers to the <i>Local Government Act 1999 (SA)</i> .
Capital value	refers to the valuation methodology used in determining the value of land, as defined in the Valuation of Land Act 1971
Council	(with a capitalised C) refers to the elected Council body
council	(with a non-capitalised c) refers to council as the organisation.
CWMS	refers to the Community Wastewater Management System within the Council area formerly referred to as Septic Tank Effluent Disposal Schemes (STEDS).
Different rate	refers to a rate that may be applied to a category of land that is different to the rate applied to other land categories (termed differential rates under the Act).
Fixed charges	refers to a charge that must apply equally to each separate piece of rateable land in the area under Section 152(1) of the Act.
General rate	refers to the rate in the dollar that applies to properties in the calculation of the general rate payable by way of Council Rates. Please note that the 'General Rate' is also referred to as the Differential General Rate under the Act and also includes the fixed charge component charged.
Postponed rates	refers to any rates postponed under Section 182 or 182A of the Act.
Primary production	for rating purposes is defined as per section 5(1) of the <i>Valuation of Land Act 1971</i> : (definition of 'business of primary production'); <i>'the business of agriculture, pasturage, horticulture, viticulture, apiculture, poultry farming, dairy farming, forestry or any other business consisting of the cultivation of soils, the gathering in of crops or the rearing of livestock or consisting of the propagation and harvesting of fish or other aquatic organisms.'</i>
Rating	refers to the overall process of raising revenue by way of levying rates and charges.
Rebates	refers to an amount that a rate or charge may be reduced in accordance with Chapter 10, Division 5 of the Act.

Remissions	refers to any reduction in amount payable granted in accordance with Section 182 of the Act.
Residential rate cap rebate	refers to the rate cap applied to properties with a Residential land use, subject to specific criteria, which is applied under the discretionary rebate provisions of Section 166(1)(l) of the Act.
Separate rate	refers to a rate that applies in addition to other rates and charges, which is used to fund specific activities in accordance with Section 154 of the Act.
Service charge	refers to a charge imposed for the provision of a prescribed service under Section 155(1) of the Act.

## 5. Principles and objectives

In developing the rating policy, Council is required to make judgements based on several guiding principles and objectives. These principles and objectives are often competing and need to be balanced to achieve the desired outcome for the community.

Council's policy directions are guided by four themes that are central to achieving our vision as outlined in the Community Vision 2034: Community, Environment, Liveability and Leadership.

Council's role is to ensure that our communities have access to an appropriate range of facilities and services. In all things, council considers if its direction aligns with the principles that defines who it is. Council believes in:

- putting people first
- enabling equity
- promoting strengths
- seeking to understand
- being resourceful
- encouraging investment
- working strategically towards our vision.

Council is required to raise revenue for the purpose of governance, administration and the provision of appropriate goods and services required by the community. The goods and services are especially those that would not be provided by private businesses e.g. infrastructure, street lighting, regulatory and compliance activities.

Chapter 10 of the Act requires local government to levy rates and charges on land and provides some principles for consideration when developing rating policies. The key principle in levying rates recognises that rates constitute a system of taxation on the community for local government purposes (generally based on the value of land).

In developing this policy Council has considered the following five principles:

- equity (taxpayers with the same income pay the same tax (horizontal equity), wealthier taxpayers pay more (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 the behaviour changes the tax is efficient (e.g. tobacco taxes), if the tax is designed to be neutral in its effect on taxpayers and it changes taxpayer's behaviour a tax is inefficient)
- simplicity (the tax must be understandable).

The principle of 'benefit' (above) supports the philosophy that rates should not be regarded as a user pays system and it should be recognised that benefits are consumed differently over the life cycle of a ratepayer.

To some extent, in practice these principles conflict with each other. Council must therefore strike a balance between:

- the application of the principles
- the policy objectives of taxation
- the need to raise revenue
- the effects of the tax on the community.

Council has identified and developed the following key objectives in response to the outcomes of our community engagement activities and on-going annual reviews:

### **Equity for our communities**

To achieve this objective our policy is designed to:

- improve equity in rate distribution across our communities
- prevent inequitable shifts in rate responsibility
- collect a base contribution from all rateable properties
- equally distribute the responsibility of rates across the community (unless some compelling application of the other taxation principles should be applied)
- raise an equitable level of contribution from each land use sector.

### **Benefit to our communities**

To achieve this objective our policy is designed to:

- minimise the impact of property valuation movements
- move away from valuation-based rating by breaking the direct link between valuation and rates
- maintain the relativity within differing communities and between communities

### **Economic and property development**

Our rating policy seeks to balance Council's economic and property development focus and to achieve this objective our policy is designed to:

- facilitate a strong and vibrant economic environment

- support the growth of business within the area
- balance the issue of consumption of resources with economic development objectives
- encourage development on vacant land
- recognise the importance of arable land suitable for viable primary production

### **Taxation principles**

Council is faced with balancing its service levels, the needs and expectations of the community and setting appropriate tax levels that can sustainably resource its roles and responsibilities. In setting its rates for the financial year, Council provides primary consideration to strategic directions, budget considerations, the current economic environment and likely impacts on our communities. Feedback from our communities generally indicates a desire to lower the rate in the dollar to reduce rapid rate increases from valuation movements.

Council achieves a reduction in the above risk by setting an appropriate fixed charge. Applying a fixed charge at the required level ensures an equitable base contribution is achieved from all rateable properties, reducing the reliance on the rate in the dollar component and equitably distributing the rates burden.

Council determines the total annual rate revenue as part of the financial planning and budgeting process and the amount raised from the fixed charge is a component of the total revenue. Increasing the total raised from the fixed charge does not increase the overall rate revenue, but simply reduces the revenue raised against the property valuation. This has the effect of lowering the rate in the dollar and assists in managing large valuation movements.

The current rating objectives and strategies meet the direction and goals expressed in the Community Vision 2034 and Long Term Financial Plan, with each component of our rating strategy rating highly against the principles of taxation.

In developing the Rating Policy for 2025–26 Council will undertake a community engagement process including information provision and community education as a key focus.

### **5.1 STRATEGIC AND BUDGET CONSIDERATIONS**

Council has determined that the application of an annual Rating Policy should be developed within a framework which integrates strategic planning through to service delivery. The strategic directions for the city and the organisation are outlined in the Community Vision 2034.

The Community Vision 2034 represents our shared vision for the next ten years and is reviewed every four years. It sets the focus for Council, clearly outlining the key outcomes we want to achieve, which together form our vision of a connected community and sustainable future.

The Rating Policy for 2025–26 has been reviewed to reflect the strategic directions set in the Community Vision 2034.

Our financial planning framework provides a long-term financial plan to resource our strategic directions. As part of the financial planning and budget processes, the rate revenue required to meet expenditure needs is calculated considering other sources of

revenue. The structure of the rating system is then determined having consideration for how the rates are levied between, and within, various categories of ratepayers.

## 5.2 RATING STRATEGIES AND METHODOLOGIES

The following key strategies and methodologies have been developed consistent with our policy principles to meet the rating objectives:

- valuation methodology based on capital value
- different rates for different land use categories
- rating applied in accordance with ownership or occupation (where the ratepayer is listed in the Assessment Record)
- recognition of contiguous land
- application of single farm entity
- contribution methodology to determine the different rates is based on a percentage of total rate revenue required from each category (adjusted for growth)
- incorporating a fixed charge as a component of the general rate
- rate rebates (including rate capping for residential properties and discretionary rebates)
- rate remissions.

### 5.2.1 VALUATION METHODOLOGY

Councils may adopt one of the following three valuation methodologies to value the properties in its area (Section 151 of the Act):

- capital value: the value of land, buildings and other improvements
- site value: the value of land and any improvements which permanently affect the amenity or use of the land, such as drainage works, but excluding the value of buildings and other improvements
- annual value: the value of the rental potential of the property.

Council adopts the use of capital value as the basis for valuing land within the council area. Council considers that this method of valuing land provides the most equitable distribution of the rates burden as it identifies the land and improvements and is consistent with the taxation principle indicating a person's capacity to pay.

Council does not determine property valuations but chooses to exercise the right under Section 151 of the Act to adopt the capital valuations as assessed by the Valuer-General (VG). If a ratepayer is dissatisfied with a property valuation, an objection may be made as detailed in Section 5.6.5.

### 5.2.2 DIFFERENTIAL RATING

The Act allows councils to 'differentiate' rates based on the use of the land, the locality of the land, the use and locality of the land or on some other basis determined by the council.

The City of Onkaparinga applies **different rates based on land use**. The Act further allows council the option to use a combination of factors (land use and locality) to apply different rates. Land use is recognised by other taxing agencies and is easily identified and understood by our communities. It is therefore considered the most appropriate method for applying different rates by most councils.

Differential rates better reflect consumption of council services but can also be tailored to support other key objectives eg., economic development, encourage capital development or recognise the value of a specific land use sector. The differential rating strategy assists in addressing all of council's rating objectives. Definitions of the use of the land are prescribed by regulation and are categorised as follows for rating purposes:

- Residential
- Commercial – Shops
- Commercial – Office
- Commercial – Other
- Industrial – Light
- Industrial – Other
- Primary Production
- Vacant Land
- Other
- Marina Berths

As part of the valuation assessment process the VG recommends a land use to each assessment, identifying the predominant use of the land. This land use is applied by various taxing authorities. Council generally applies this land use for general rating purposes, however under the Act, council is the relevant authority that determines land use for rating purposes. The rating land use applied by council must meet the definitions under Development Regulations. As such the local government land use may vary from that used by other taxing authorities.

If a ratepayer believes that a property has been wrongly classified as to its land use, then an objection may be made as detailed in Section 5.6.6.

### 5.2.3 RATING IN ACCORDANCE WITH OWNERSHIP OR OCCUPATION

Rates are assessed against any piece of land subject to separate ownership or occupation.

If the owner is not the ratepayer in respect of the land—the name and address of the principal ratepayer being an occupier of land may, with the consent of the owner, apply to the chief executive officer of a council to have the occupier's name entered in the assessment record as the principal ratepayer in respect of the land.

### 5.2.4 CONTIGUOUS LAND

For the purposes of this Part, land will be regarded as being contiguous to other land if the land—

- (a) abuts on the other land at any point; or
- (b) is separated from the other land only by—
  - (i) a road, street, lane, footway, court, alley, railway or thoroughfare; or
  - (ii) a watercourse or channel; or
  - (iii) a reserve or other similar open space.

#### 5.2.5 SINGLE FARM ENTITY (SFE)

Council offers the ability to group rating assessments to genuine farmers who meet the eligibility criteria listed under the Act. SFE's that are used primarily for the business of grazing (including agistment), dairying, pig-farming, poultry-farming, fish-farming, tree-farming, beekeeping, viticulture, horticulture, fruit-growing or the growing of crops of any kind or for any combination of those activities qualify for a single fixed charge to apply over the group.

#### 5.2.6 CONTRIBUTION METHODOLOGY

Council's underlying philosophy is that the responsibility of rates should be equitably distributed across the community unless some compelling application of the other taxation principles is applied to ensure the equity of the tax.

To minimise the impact of valuation movements, prevent inequitable shifts in rate responsibility and improve equity in rate distribution across the community, Council has determined that the proportion of total rate revenue contribution payable by each of the land use sectors should be maintained at a similar level as that paid in the previous year (adjusted for growth and other movements).

The contribution methodology is an integral component of our overall rating strategy that assists in achieving a number of our rating objectives, by:

- improving equity in rate distribution across the community
- preventing inequitable shifts in rate responsibility
- minimising the impact of property valuation movements
- raising an equitable level of contribution from each land use sector
- maintaining the relativity within differing communities and between communities
- recognising communities where there is a greater consumption of services and resources
- ranking highly against the principles of taxation.

We have undertaken comparative analysis of differential rates across the metropolitan councils in the state. The analysis indicates our average rates paid in all land use categories sit around mid-scale.

#### 5.2.7 DIFFERENT RATES

Council adopts differential general rates primarily based upon land use and the assessed capital value of the land, including any improvements thereon. The differentiating factors are the permitted land use categories.

Council has determined that a different rate will be applied for 2025–26 to all assessments attributed with the following land use:

**Residential - different rate of 0.XX cents in the dollar**

**Commercial and Industrial - different rate of 0.XXcents in the dollar**

**Primary Production - different rate of 0.XXcents in the dollar**

**Vacant Land - different rate of 0.XX cents in the dollar**

**Other - different rate of 0.XX cents in the dollar**

#### 5.2.8 FIXED CHARGE

**Council has determined that a fixed charge of \$XXX will be applied to rateable assessments for 2025–26.**

The Act allows councils to impose a fixed charge on each rateable property in its area, providing that it has not also imposed a minimum rate (Section 152 of the Act).

The primary reason for imposing a fixed charge is to ensure that all rateable properties make a base contribution to the cost of administering council activities and maintaining services and physical infrastructure.

A fixed charge has the effect of reducing the rate in the dollar that will be applied to the property valuations, which in turn assists in addressing policy objectives developed in response to the outcomes of community engagement activities.

In applying a fixed charge only one charge can be imposed on two or more adjoining assessments with the same owner and occupier (contiguous).

Where a ratepayer believes that they may be eligible for a reduction in the fixed charge applied to contiguous assessments an objection may be made as detailed in Section 5.6.5.

#### 5.2.9 RATE REBATES

**Council will grant a mandatory rebate upon the applicant satisfying the requirements under Sections 159 to 165 of the Act.**

**Applications for discretionary rebates lodged under Section 166 of the Act will be considered under Council's *Rate Rebate Policy*.**

The Act acknowledges that there are particular land uses that are economically disadvantaged and provide local community benefit and therefore must be offered rate relief in order to be sustainable. On this basis some rebates under the Act are applied as a mandatory requirement however further discretionary provisions allow Council to determine whether other desirable land uses may be offered rate relief.

Council reviews the Rate Rebate Policy every three years which provides the full details regarding rate rebates permissible under the Act. This policy document supports our main Rating Policy.

The rate rebate strategy addresses the following objectives:

- improves equity in rate distribution across the community
- ranks highly against the principles of taxation

### 5.2.9.1 RATE CAP REBATES

**For the 2025–26 financial year Council has determined that a rebate be applied to properties with a Residential land use to cap any increase in the differential rates related to the valuation component at 10%, subject to specific criteria.**

A rebate cap will not be applied where the rate increase is as a result of an increase in valuation from significant capital improvements on the property (regardless of when the development was undertaken) or where there has been a change in the land use since the commencement of the previous financial year or a change in ownership or licence to occupy during the two prior financial years. It will also not be applied to those that already have an approved mandatory or discretionary rebate.

In the case where the fixed charge has caused the total rates bill to increase by more than 10%, the rate capping rebate does not apply. The fixed charge is not subject to valuation movement and is set to ensure all ratepayers pay a base contribution.

Rate capping (subject to certain criteria) recognises that in some circumstances residents have no control over increases in property valuations. Where a significant valuation increase is as a result of market forces and not as a result of purchasing the property, the rates levied as a result of that valuation increase should be capped at a level that minimises the impact to a reasonable level.

The rate capping strategy addresses the following objectives:

- improves equity in rate distribution across the community
- prevents inequitable shifts in rate responsibility
- minimises the impact of property valuation movements
- ranks highly against the principles of taxation.

The rate cap will be applied automatically to properties that can be readily identified as being eligible. Where this rebate is not applied automatically, ratepayers who consider they could be eligible for the Rate Cap Rebate may lodge an application. Council rebates or remissions are not included in the capping calculation process. The application must be lodged prior to 31 August 2025. This rebate is applied under the discretionary rebate provisions of Section 166(1)(l) of the Act. The Rate Capping Application Form appears as an attachment to the Rate Rebate Policy.

### 5.2.10 REMISSION AND POSTPONED RATES

**Application for remission of rates and charges, fines and interest or postponement of rates will be considered under the discretionary provisions of Sections 181 and 182 of the Act.**

Council will accept requests for remission of fines and interest in certain extenuating circumstances. A request for waiver of fines and/or interest should provide detailed reasons why a remission has been requested.

Council will accept requests for postponement of rates from ratepayers suffering on-going or extreme financial hardship through a qualified financial counsellor and will consider the recommendation on a case by case basis.

Council will consider a request for remission of rates when the property is being sold due to a ratepayer experiencing financial hardship. Financial hardship must be confirmed in

writing by a qualified financial counsellor at the time of application for remission of rates or postponement for hardship.

Monthly interest at the prescribed rate will be applied to rates postponed under Section 182 of the Act.

**Application for postponement of rates and charges for holders of a State Seniors Card will be considered under the provisions of Section 182A of the Act – ‘Postponement of rates – Seniors’.**

To assist seniors, council promotes and supports ratepayers to consider options such as postponement of rates for seniors. Under this scheme eligible ratepayers can annually postpone or defer any rate amount above \$500. In addition, should a ratepayer elect to pay more than the \$500 in any given year, the amount paid in excess is applied to the balance outstanding.

Applications must be lodged in writing and must provide evidence of eligibility plus other evidence as required. Requests must be lodged on the Application Form for Postponement of Rates Seniors. Monthly interest at the prescribed rate will be applied to rates postponed under Section 182A of the Act.

Where an application for postponement under Section 182A is granted, a presumption of on-going annual postponement will be assumed.

The remission of fines and interest and postponement strategy addresses the following objectives and taxation principles:

- improves equity in rate distribution across the community
- ranks highly against the principles of taxation.

### 5.3 STATE GOVERNMENT REGIONAL LANDSCAPE LEVY – SEPARATE RATE

The South Australian Government has introduced a major legislative reform program with the introduction of the Landscape South Australia Act 2019 (the Act) which replaces the *Natural Resources Management Act 2004*.

The legislation provides the framework for how the state’s natural resources will be managed with a stronger emphasis on effective water management, pest plant and animal control, soil and land management and decentralised decision-making. These changes aim to provide communities a greater voice in natural resources management.

The Regional Landscape Act has implications for local government, particularly in relation to the land-based levy collection process and the realignment of boundaries. The Act creates nine landscape management regions with NRM boards being replaced by eight new regional landscape boards and a metropolitan landscape board, being Green Adelaide. The levies raised for 2025–26 will be based on the Regional Landscape Boundaries.

The landscape levy collection process for 2025–26 remains largely the same as previous arrangements under the Natural Resources Management Act 2004. There are no proposed changes to the basis of the regional landscape levy. The Regional Landscape Act imposes a cap on levies across the state and limits future increases in the levy to CPI.

Councils will continue to recover ongoing collection costs from regional landscape boards.

All council contributions and the basis of the regional landscape levy will be set out in the landscape board (and Green Adelaide) business plans. The landscape boards will have responsibility for notifying councils of their share and Council will continue to set a levy rate under the *Local Government Act 1999* in accordance with the advice provided by the Department of Environment and Water. Council is unable to influence the amount set for each Board and is the body utilised by the State Government to collect the levy.

Money raised through the imposition of the levy is paid to the central Landscape Administration Fund for later distribution to the landscape boards.

Council is required to collect this mandatory state government levy as a separate rate for Natural Resources Management. This levy for 2025–26 is applicable to land previously within the area of the Adelaide and Mt Lofty Ranges Natural Resources Management Board and the SA Murray-Darling Basin Natural Resources Management Board.

For 2025–26 the regional landscape levy for the properties previously located in the previous Natural Resources Management Board regions will now be known as either Green Adelaide or as Hills and Fleurieu.

#### **Regional Landscape Levy for 2025-26:**

**Green Adelaide – 0.xxcents in the dollar**

**Hills & Fleurieu - 0.xx cents in the dollar**

Council is required to forward the revenue raised to the state government and does not determine how the revenue is to be spent.

### **5.4 SERVICE RATES AND CHARGES**

Council provides a Community Wastewater Management System (CWMS) to seven districts within the city. To fund the provision of this service council imposes a service charge to recover the cost to the council of establishing, operating, maintaining, improving and replacing infrastructure (taking into account depreciation of any assets and including future capital works).

#### **5.4.1 WASTE AND MINOR TRADE WASTE**

Council will recover the cost of this service through the imposition of a uniform service charge on each of the relevant assessments (including non-rateable land) for the disposal and treatment of residential waste and minor trade waste.

The CWMS service charges will be as follows for 2025–26:

- **occupied allotments - \$00.XX per property unit**
- **vacant allotments - \$00.XX per property unit**

In the case of a single residential household a 'Property Unit' will equal one. In the case of higher use properties (such as schools, hospitals, and other multiple tenancy properties etc) an equivalent unit charge is calculated. In calculating property unit's council adheres to the LGA Community Wastewater Management Systems (CWMS) Code issued in April 2006.

CWMS Service Charges where Aerobic or Sand Filter systems are in use:

- Owners of aerobic or sand filters systems shall be entitled to a 50% remission on the annual charge provided they show evidence of an annual maintenance contract and have been issued with an exemption by an Environmental Health Officer. No new exemptions will be issue
- Owners of aerobic systems who do not show evidence of an annual maintenance contract and any property owners with a conventional subsurface disposal system who discharges effluent above ground or into stormwater systems intentionally or otherwise will be required to connect to the CWMS system immediately
- Connection to the system and/or the payment of the full connection fee shall be compulsory on the sale of an occupied property or the development of a vacant block.

#### 5.4.2 MAJOR TRADE WASTE

Council imposes a service charge or rate to recover the costs incurred by the council. This charge is for the disposal and treatment of major trade waste based on the nature and the level of usage of the service.

This service charge shall be set in compliance with our obligations under the Water Industry Act 2012 and related Price Determinations for Minor and Intermediate Retailers as determined by the Essential Services Commission of South Australia. Council will impose an annual service charge to recover the costs incurred by council for the disposal and treatment of major trade waste. This service charge to be calculated on either a per kilolitre basis or an annual amount (as negotiated with the customer). The service charge will be inclusive of the cost of service provision (based on the nature and the level of usage of the service), depreciation, return on assets plus other regulatory requirements.

#### 5.5 PAYMENT OF RATES

Rates are payable by quarterly instalments which will be due on 1 September 2025, 1 December 2025, 1 March 2026 and 1 June 2026. The total outstanding balance of rates may be paid in full at any time.

##### 5.5.1 PAYMENT METHODS

Council has determined that rates may be paid by the following methods (detailed on the back of the rate notice):

- Australia Post
- BPay
- Centrepay (Centrelink direct debit system)
- Council's 'Online Payments' system on [www.onkaparingacity.com](http://www.onkaparingacity.com)
- BPOINT via phone (1300 276 468)
- in person at Council offices during business hours

##### 5.5.2 LATE PAYMENT OF RATES

Council is required to impose **penalties for late payments** in accordance with the provisions of Section 181(8) of the Act and relevant council procedures.

Fines and interest for late payment are levied in accordance with the provisions of Section 181(8) of the Act. These provisions are the only provisions available to council to ensure that all ratepayers pay promptly.

The Act provides that:

*If an instalment of rates is not paid on or before the date on which it falls due:*

*(a) the instalment will be regarded as being in arrears*

*(b) a fine of two percent of the amount of the instalment is payable*

*(c) on the expiration of each full month from that date, interest of the prescribed percentage of the amount in arrears (including the amount of any previous unpaid fine and including interest from any previous month) accrues.*

Any ratepayer who may, or is likely to, have trouble with meeting the standard instalments and due dates can contact council to discuss alternative payment arrangements. It should be noted that fines and interest are still levied in accordance with the Act under any payment arrangement.

Council will consider applications for remission of fines in certain extenuating circumstances. A request for waiver of fines should be made in writing, setting out detailed reasons why a fine remission has been requested.

### 5.5.3 APPLICATION OF PAYMENTS

Council is required to apply **rate payments in accordance with the provisions of Section 183 of the Act.**

Section 183 of the Act provides that when the council receives a payment in respect of rates, the council applies the money received as follows:

- first – to satisfy any costs awarded in connection with court proceedings
- second – to satisfy any interest imposed
- third – in payment of any fines imposed
- fourth – in payment of rates, in chronological order (starting with the oldest amount first).

### 5.5.4 RECOVERY OF OUTSTANDING RATES

In accordance with sound financial management principles, the Revenue team will apply prudent debt management practices to rate debtors. This includes an on-going review of rates in arrears and following a systematic debt recovery approach.

Rates that remain in arrears for a period exceeding 30 days will be subject to recovery action in accordance with council's normal debt recovery procedures.

Section 184 of the Act provides that council may sell any property where any rates have been in arrears for three years or more. Council is required to notify the owner of the land of its intention to sell the land if payment of the outstanding amount (by cash or bank cheque) is not received within one month. Except in extraordinary circumstances, council will enforce the sale of land for arrears of rates.

### 5.5.5 VALUATION OBJECTIONS

If a ratepayer is dissatisfied with a property valuation then an objection may be made to the State Valuation Office in writing, within 60 days of receiving notice of the valuation, explaining the basis for the objection – provided they have not:

- previously received a notice of this valuation, under the Act, in which case the objection period is 60 days from the receipt of the first notice, or
- previously had an objection to the valuation considered by the State Valuation Office in the current financial year.

It should be noted that under the Valuation of Land Act 1971 the VG has the discretion to extend the allowable objection period where it can be shown there is reasonable cause.

Objections to valuations should be addressed to:

Valuer-General  
GPO Box 1354  
Adelaide SA 5001  
Email: [OVGO objections@sa.gov.au](mailto:OVGO objections@sa.gov.au)  
Telephone 1300 653 345

The City of Onkaparinga has no role in this process, and it is important to note that the lodgement of an objection does not change the due date for payment of rates. Rates must be paid in accordance with the rate notice until otherwise notified by council.

### 5.5.6 LAND USE OBJECTIONS

If a ratepayer believes that a particular property has been wrongly classified as to its land use, then an objection may be made (to council) within 60 days of being notified of the land use classification. Council may exercise its discretion to extend the allowable objection period where it can be shown there is reasonable cause.

It is important to note that the lodgement of an objection does not change the due date for payment of rates. Rates must be paid in accordance with the rate notice until otherwise notified by council.

### 5.5.7 FIXED CHARGE OBJECTIONS

Where a ratepayer believes that they may be eligible for a reduction in the fixed charge applied to contiguous assessments, they must lodge their objection in writing to:

Chief Executive Officer  
City of Onkaparinga  
PO Box 1  
Noarlunga Centre SA 5168

The objection must contain full details of the ownership, occupants (tenants), dates of any lease agreements and date of purchase for each assessment subject to objection.

Rates must be paid in accordance with the Rate Notice until otherwise notified by council.

#### 5.6 DISCLAIMER

In accordance with Section 171(5) of the Act, **a rate cannot be challenged based on non-compliance with this policy** and must be paid in accordance with the required payment provisions.

Where a ratepayer believes that council has failed to properly apply this policy, they should raise the matter with council.

#### 5.7 COMMUNITY ENGAGEMENT

In accordance with Council's desire to inform and involve the community, and in keeping with good practice, **a community engagement process will be undertaken annually** on the development of budget and rating processes and policy.

Community engagement is undertaken when developing the annual budget and rating policies as part of the draft annual business plan to ensure that transparency of the process is maintained and to provide an avenue for the community to contribute their opinion.

## 6. Attachments

Attachment 1 – Application for Postponement of rates for seniors

Attachment 2 – Application for Rate Capping

## 7. Relevant legislation and references

Printed documents

*Council policy, Rate Rebate Policy,*

*Council policy, Financial Hardship Policy (Rates)*

*City of Onkaparinga, Community Vision 2034*

*City of Onkaparinga, Long Term Financial Plan 2024-25 to 2034-35*

*LGA Annual Service charges for Community Wastewater Management Systems*

Legislation

*Local Government Act 1999*

*Landscape South Australia Act 2019*

*Valuation of Land Act 1971*

*Water Industry Act 2012*

## 8. Further information

It is also available for inspection, downloading or printing from our website [www.onkaparingacity.com.au](http://www.onkaparingacity.com.au).



## Appendix 11

ESCOSA local  
government advice

OFFICIAL



Advice

## Local Government Advice

City of Onkaparinga

February 2024

OFFICIAL

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

Essential Services Commission  
GPO Box 2605  
Adelaide SA 5001

Telephone: (08) 8463 4444  
Freecall: 1800 633 592 (SA and mobiles only)  
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)






# City of Onkaparinga

## AT A GLANCE



### OVERVIEW

The Essential Services Commission finds the City of Onkaparinga's current financial performance **potentially unsustainable**, but is taking steps towards a position of becoming more sustainable with projected small future surpluses on a consolidated basis, total expenses projected to increase at a rate lower than inflation, and the planned average rate increases of 2.7% p.a. per property over the next 10 years

### RISKS IMPACTING SUSTAINABILITY

-  If cost growth exceeds Council's long-term planning forecasts (and forecast CPI)
-  The long-term financial plan and infrastructure asset management plan are not properly aligned or updated regularly
-  Asset renewals are not undertaken at sufficient levels to meet the required service standards or community expectations
-  Maintaining and holding assets which are excess to requirements and do not provide benefit to the broader community

### CONTINUE

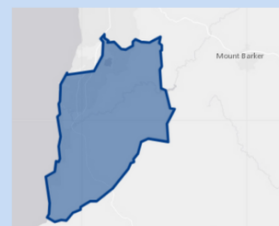
-  Holding community consultations and conduct surveys to identify community priorities and desired service levels as part of the planning process for its strategic management plans
-  Considering limiting any future increases in rates to no more than expected inflation

### COMMISSION'S RECOMMENDATIONS

- Ensure that the long-term financial plan is prepared every year as required by the LG Act
- Update and coordinate the data in the long-term financial plan and annual budget by clearly identifying the annual inflation and other relevant assumptions as inputs to its projected revenue (including rates) and expenditure
- Provide an annual statement of financial sustainability as required by the LG Act
- Review the long-term financial plan annually including its 10-year projections and all relevant assumptions
- Consider options to increase income to move forward to a more financially sustainable position
- Monitor and report the growth in costs to ensure they are constrained within forecast levels
- Consider adopting cost savings targets and reporting the projected and actual cost savings in the annual budget and long-term financial plan
- Develop a staged plan and identify targets to reduce the high level of debt
- Identify and dispose of those assets that have reached the end of their useful lives, or are excess to requirements, to reduce debt and future liabilities
- Review the asset valuations, their remaining useful lives and corresponding depreciation schedules regularly to ensure that they reflect current values
- Develop and regularly update separate asset management plans for each asset group and coordinate the data in these asset management plans with the infrastructure asset management plans, budget and long-term financial plan
- Provide more funding for asset renewals rather than prioritising initiatives which involve new or upgraded infrastructure

### KEY FACTS

- Population in 2021 was **175,204**
- Council covers **338 square kilometres**
- **81,989** rateable properties in 2022-23
- **\$150.7 million of rate income** in 2022-23
- Value of assets held in 2022-23 equals **\$2.52 billion**



## Table of contents

Glossary of terms.....	ii
1 The Commission’s key advice findings for the Council of Onkaparinga.....	3
2 About the advice .....	5
2.1 Summary of advice .....	5
2.2 Detailed advice findings .....	7
2.2.1 Advice on material plan amendments in 2023-24.....	7
2.2.2 Advice on financial sustainability.....	9
2.2.3 Advice on current and projected rate levels.....	15
2.3 The Commission’s next advice and focus areas.....	17

## 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 Onkaparinga
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 Pa per 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

Legend:  Low-risk  Moderate-risk  High-risk

# 1 The Commission’s key advice findings for the City of Onkaparinga

The Essential Services Commission (**Commission**) considers the City of Onkaparinga (**Council**) to be in a **potentially unsustainable** financial position. However, the Commission notes that the Council is taking steps towards a position of becoming more sustainable, with projected small future surpluses on a consolidated basis, and total expenses projected to increase at a rate lower than inflation.

## Current financial performance:

Unsustainable	Potentially Unsustainable	Mostly Sustainable	Sustainable
---------------	---------------------------	--------------------	-------------

## Projected financial performance (future):

Unsustainable	Potentially Unsustainable	Mostly Sustainable	Sustainable
---------------	---------------------------	--------------------	-------------

## Previous financial performance (past ten years):

Unsustainable	Potentially Unsustainable	Mostly Sustainable	Sustainable
---------------	---------------------------	--------------------	-------------

Over the historical (10 year) period (from 2012-13 to 2021-22), the Council’s financial performance was considered **unsustainable**, due to it running an operating surplus for only three years during the 10-year period, with a negative average operating surplus ratio for this entire historic period.

The Council has also recorded an operating deficit for 2022-23, and has forecast another deficit for 2023-24, followed by its forecast of operating surpluses over the nine years from 2024-25 to 2032-33, which is anticipated to be achieved primarily through lower increases in operating expenses over that period.

Over the forecast period, the Council faces risks related to cost control and providing sufficient funding for infrastructure both to support the growth in rateable properties, and to undertake the asset renewal and replacement required to maintain the current level of services and/or higher levels of expenditure to address deferred asset renewal. Given these risks, its projected (future) performance is **potentially unsustainable**, with a forecast operating deficit in the short-term and the potential to return to an operating surplus in future.

Acknowledging the Council’s outlook, the Commission considers it would be appropriate for it to undertake the following steps to ensure it budgets prudently and transparently, continues to manage its cost base efficiently, plans its asset needs appropriately, renews its asset base to meet sustainable service levels, and continues to constrain the extent of further rate increases:

### Budgeting considerations

1. **Ensure** that the long-term financial plan is prepared every year as required by the LG Act.
2. **Update** and coordinate the data in the long-term financial plan and annual budget by clearly identifying the annual inflation and other relevant assumptions as inputs to its projected revenue (including rates) and expenditure, to provide transparency to the community.
3. **Start** to provide an annual statement of financial sustainability as required by the LG Act.
4. **Review** its long-term financial plan annually (including its 10-year projections and all relevant assumptions (including for inflation)) to better inform its decision-making and any relevant consultation processes.

### Continuing to provide evidence of ongoing cost efficiencies

5. **Consider** options to increase income to move forward to a more financially sustainable position.
6. **Monitor** and **report** the growth in costs, including employee expenses, to ensure costs are constrained to forecast levels to ensure the operating performance is not negatively impacted by a lack of cost control.
7. **Consider** adopting cost saving targets and reporting the projected and actual cost savings in the annual budget and long-term financial plan to provide evidence of controlling the growth in costs and achieving efficiencies across its operations and service delivery.
8. **Develop** a staged plan and identify targets to reduce the high level of debt, and report the achievements against targets in the annual budget and long-term financial plan.
9. **Identify** and dispose of those assets that have reached the end of their useful lives, or are excess to requirements, to reduce debt and exposure to future liabilities.

### Refinements to asset management planning

10. **Review** the asset valuations, their remaining useful lives and corresponding depreciation schedules regularly to ensure they reflect current values, and incorporate this information into the strategic asset management plan and include these expenditure forecasts in the annual budget and annual long-term financial plan update.
11. **Undertake** the good practice of developing and regularly updating the individual asset management plans for each asset group and coordinate the data in these asset management plans with the infrastructure asset management plan, budget, and long-term financial plan.
12. **Provide** more funding for asset renewals rather than prioritising initiatives which involve new or upgraded infrastructure.
13. **Continue** to hold community consultations and conduct surveys to identify community priorities and desired service levels as part of the planning process for its strategic management plans.

### Containing rate levels

14. **Continue** to consider limiting future increases in rates to no more than expected inflation to reduce any emerging affordability risk in the community.

## 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 Parliament 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 17 councils for advice in the second scheme year (2023-24), including the Council.

This report provides the Local Government Advice for the Council in 2023-24.

The Council is obliged under the *Local Government Act 1999* (**LG Act**) to publish this advice and its response, if applicable, in its 2024-25 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 Council for meeting with Commission staff and for providing relevant information to assist the Commission in preparing this advice.

### 2.1 Summary of advice

In general, the Commission finds the Council's current financial position to be **potentially unsustainable** but notes that it is taking steps towards a position of becoming more sustainable, with projected operating deficits or small future surpluses on a consolidated basis, and total expenses projected to increase at a rate lower than inflation. The Council faces risks in its journey to improve its operating performance over the forecast period which includes any unplanned increases in expenses which may arise, low levels of expenditure on the renewal and replacement of its existing assets, or increased maintenance and repair costs to maintain the level of services to deliver.

The Council ran an operating surplus for only three years during the 10-year historical period from 2012-13 to 2021-22, and has forecast an average operating surplus ratio for the forecast period from 2024-25 to 2032-33 of 2.83 percent. The Council is projected to achieve a return to surplus over the forecast period because total income is forecast to increase at an annual average rate of 2.6 percent (in line with

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

<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).

average annual forecast inflation of 2.6 percent), and expenses at the lower annual average rate of 1.8 percent.

The main source of Council income over both the historic period and the forecast period is rates. Rates income increased at an annual average of 1.9 percent,<sup>10</sup> and contributed 79 percent of income over the historic period. Rates are forecast to increase at the average annual rate of 3.6 percent<sup>11</sup> (a full percentage above average forecast inflation) over the forecast period to contribute nearly 83 percent of income, indicating that the Council is relying more heavily upon rates for income over the 10-year forecast period.<sup>12</sup>

Over the historic period, the main contributors to expenses (at 39 percent of total expenses each) were employee costs (which increased at an annual average rate of 4.8 percent per annum), and 'materials, contracts and other' expenses (which increased at an annual average rate of 3.2 percent per annum).

Expenses are forecast to increase at an average annual rate of only 1.8 percent over the forecast period, with employee costs increasing at an average rate of 2.2 percent (to contribute over 40 percent of expenses), and materials to increase at an average annual rate of 2.5 percent (to contribute nearly 39 percent of expenses). Depreciation, which was 19.6 percent of total expenses over the historic period, is forecast to decrease by an annual average of 0.1 percent over the forecast period, and contribute only 18.6 percent of expenses.

The operating surplus ratio over the historic period sat below the target range for all but three years of the period, with an average of negative 0.01 percent for the 10-year period.<sup>13</sup>

The Commission has some reservations about the Council's ability to contain increases in expenses to these low forecast levels to return to, and maintain an operating surplus, especially because projections of the rate of increase to its expense categories sits below forecast inflation over the period. To achieve cost control, the Council should be developing cost reduction/control plans, with annual cost reduction targets for each area of its operations, and report achievements against these targets in both its budget and LTFP. The absence of cost control plans and targets in its current budget and LTFP increases the risk that the Council might be required to reduce the level of services it delivers to produce and maintain the operational surpluses over the forecast period.

The net financial liabilities ratio (a measure of the Council's indebtedness) sits within the LGA target range of 0 to 100 percent over both the historic and forecast periods.

Asset renewal expenditure was volatile throughout the historic period from 2012-13 to 2021-22, and the asset renewal funding ratio (net) sat within (or above) the target ratio range of 90 to 110 percent for only two years of the historical period.<sup>14</sup> The asset renewal funding ratio improves over the forecast period, with an average value of 92.1 percent, which sits at the lower end of the LGA target range of 90 to 110 percent, although planned asset renewal levels are less than those in the IAMP.

It is not clear from the budget and LTFP what strategies the Council plans to employ to reduce debt by such substantial amounts to achieve sustainability, while at the same time ensuring that the appropriate level of assets renewal expenditure is maintained.

It is understood that the Council is currently updating its LTFP, which ideally should include a range of strategies to reduce debt while not reducing service levels. Strategies should include the rationalisation

<sup>10</sup> Which includes the low rates of growth in rates income over the period 2019-20 through 2021-22, when the Council provided rates relief during the pandemic.

<sup>11</sup> Which includes an annual increase in rateable properties of 0.9 percent and an average annual increase in rates per property of 2.7 percent, only 0.1 percent above average forecast inflation.

<sup>12</sup> This is despite the Council's stated intention to reduce its reliance for income on rates.

<sup>13</sup> The main reason the operating surplus ratio sat below the LGA lower target of 0 over the later years is because of the pandemic rates relief, which meant that income from rates increased by an annual average only 1.2 percent during 2020-21 and 2021-22, which includes an increase of over 1.4 percent in the number of properties over the two years.

<sup>14</sup> The Council has advised that from 2020-21, it used gross asset renewal expenditure (before the sale of replaced assets) in its assessment of its asset renewal funding ratio, which shows marginally better asset renewal performance.

and sale of assets, including the disposal of aged assets that incur high maintenance and renewal costs, over the term of the new LTFP.<sup>15</sup>



## 2.2 Detailed advice findings

The next sections summarise the Commission's more detailed observations and advice findings regarding the Council's material changes to its 2023-24 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>16</sup>

### 2.2.1 Advice on material plan amendments in 2023-24

#### Key Points:

-  A decline in operating performance in the updated draft long-term financial plan is projected with a surplus of \$51.9 million compared to a surplus of \$53.2 million in the approved 2022-23 long-term financial plan.
-  A deficit of \$1.93 million is forecast in 2023-24 (an improvement of 57 percent from the projected deficit of \$4.53 million in 2022-23 (unaudited). Total income is forecast at \$204.33 million, and expenses at \$206.27 million.

The Commission has compared the amendments to the Council's 2023-24 budget and forward projections that are included in its updated 2022-23 LTFP estimates.<sup>17</sup>

The Council budgeted for a decline in operating performance in the updated<sup>18</sup> 2022-23 LTFP, with a surplus of \$52.9 million compared to a surplus of \$53.2 in the approved 2022-23 LTFP. In aggregate, the projections in the approved and the updated 2022-23 LTFPs (that is, over the nine-year comparative period to 2031-32), indicate that the Council's cumulative performance deteriorates by \$0.3 million or negative 0.6 percent.

The material changes are attributable to an alignment of rates income to the actual March 2023 (Adelaide) CPI of 7.9 percent, capital expenditure to the construction output price index,<sup>19</sup> increases in capital expenditure due to external funding, and an updated projected debt position.

The Council has planned for a deficit of \$1.9 million in 2023-24, which is an improvement of 57 percent from the deficit of \$4.5 million in 2022-23 (unaudited). Total income is forecast at \$204.3 million, and expenses at \$206.3 million.

The Council has aligned its rates increases to the most recent CPI of 7.9 percent for the 12 months ended March 2023.<sup>20</sup>

<sup>15</sup> As stated in the 2023-24 budget p. 41 and as required under the LGA Act.

<sup>16</sup> The attachment will be available on the Commission's website with the Advice.

<sup>17</sup> The last LTFP to be approved by the Council was the 2022-23 LTFP, which was approved in July 2022. The Council has not produced an approved LTFP since then because the newly elected members (in November 2022) placed a priority upon drafting and approving the 2023-24 budget. The LTFP provided by the Council in the Financial Template is based upon the updated data aligned with the 2023-24 Budget.

<sup>18</sup> But not approved, with the data included in the Annual Business Plan 2023-24, Appendix 8.

<sup>19</sup> See <https://www.abs.gov.au/statistics/economy/price-indexes-and-inflation/producer-price-indexes-australia/latest-release#construction>. Construction costs usually increase at a rate higher than the CPI, e.g. 5.4 percent for the 12 months ended December 2023 compared to the consumer price index outcome of 4.1 percent.

<sup>20</sup> See City of Onkaparinga Annual Business Plan 2023-24 p. 7.

Some of the amendments, compared to the LTFP, include:

- ▶ An increase in income to adjust for inflation in March 2023, and higher income from user charges due to increased usage of facilities post COVID-19.
- ▶ An increase in employee costs in line with the higher CPI outcome for March 2023, and the reclassification of agency employees from 'materials, contracts and other' expenses to employee costs.
- ▶ An increase in expenditure on Infrastructure, property, plant and equipment due to significant asset revaluations to reflect increases in the building price index and replacement costs.
- ▶ Increased expenditure on new/upgraded assets with funding from the State and Federal Governments.
- ▶ An increase of \$3.5 million in depreciation expenses.
- ▶ A reduction in borrowings and interest costs due to \$30 million of grant funding received in advance.
- ▶ The inclusion in income for net gain– equity accounted Council businesses for the Council's 55 percent equity share in the Southern Region Waste Resource Authority (SRWRA - a joint venture with the City of Marion and the City of Holdfast Bay) not previously captured in the LTFP forecasts.<sup>21</sup>

The Commission notes that the Council's stated assumptions for indexation in its updated 2022-23 LTFP<sup>22</sup> are not fully transparent, because the assumptions included in the 2023-24 Budget Appendix 7 only relate to the current financial year. The key assumptions for the 2022-23 LTFP<sup>23</sup> (the last complete and adopted LTFP) are transparent (although outdated), and only the 2023-24 assumptions have been updated in the updated data included in Appendix 7 of the 2023-24 budget.

Given the need for the Council to reduce indebtedness and develop efficiencies to reduce expenses and the impact of inflation on the community, the Commission found it would be appropriate for it to:

1. **Ensure** that the long-term financial plan is prepared every year as required by the LG Act.
2. **Update** and coordinate the data in the long-term financial plan and annual budget by clearly identifying the annual inflation and other relevant assumptions as inputs to its projected revenue (including rates) and expenditure, to provide transparency to the community.
3. **Start** to provide an annual statement of financial sustainability as required by the LG Act.
4. **Review** its long-term financial plan annually (including its 10-year projections and all relevant assumptions (including for inflation)) to better inform its decision-making and any relevant consultation processes.

The Council adopted its 2023-24 Annual Business Plan and Budget on 17 July 2023, and updated the data included in the 2022-23 LTFP<sup>24</sup> approved on 4 July 2022,<sup>25</sup> rather than preparing a 2023-24 LTFP.

<sup>21</sup> Council rejected a proposal to privatise their CMWS due to community opposition in November 2023.

<sup>22</sup> As updated and included in the 2023-24 budget.

<sup>23</sup> See Appendix 8 of the City of Onkaparinga 2022-23 LTFP.

<sup>24</sup> The 2022-23 LTFP, which was approved in July 2023.





<sup>25</sup> This includes an update for Phases 1 and 2 of the Local Roads and Community Infrastructure (LRCI) stimulus program, with Phase 3 works underway (to be completed by the end of June 2024). See City of Onkaparinga Strategic Asset Management Plan Update 2022-23 p. 8.

The Commission observes that the Council noted risks to its estimates arising from the impact of inflation upon expenditure. In addition, there are no current regulatory requirements for it to publish its LTFP projections with its annual business plan and budget, although the Council did not provide the updated LTFP projections for the 10-year forecast period elsewhere.<sup>26</sup>

## 2.2.2 Advice on financial sustainability

### Operating performance

#### Key Points:

-  Operating surpluses experienced in only three years during the historical period 2012-13 through to 2021-22, with a forecast return to operating surpluses in nine years out of 10 in the forecast period (2024-25 through 2032-33).
-  The projected turnaround in forecast operating performance is as a result of increasing rates income by the forecast CPI plus growth in the number of rateable properties, and keeping the increase in expenses below the forecast inflation rate over the period.
-  From 2012-13 through to 2021-22, total expenses increased at an average annual rate of 4.3 percent, but are forecast to increase by only 1.8 percent over the next 10 years. It is noted that there are risks to the Council's operating performance if the anticipated moderate increase in expenses is not met.
-  The Council has attempted to achieve budget savings of \$8 million as referred to in its 2023-24 budget.

The Council ran an operating surplus for only three years during the historical period from 2012-13 to 2021-22 but forecasts a return to an operating surplus during the last nine years of the forecast period (2024-25 through 2032-33). The Council expects this will be achieved by increasing rates income by the forecast CPI plus growth in number of rateable properties,<sup>27</sup> while keeping the increase in expenses below the forecast inflation over the period.

The Council saw an annual average increase in operating income of 4.1 percent over the historic period. Its primary source of income over the period was rates, which was 79 percent of total income over the historic period,<sup>28</sup> which increased by an average of 1.9 percent per annum<sup>29</sup> (close to average inflation of 2.0 percent). This was followed by 'grants, subsidies and contributions' at 12.5 percent of income, which were volatile, and increased by an annual average of 7.3 percent.<sup>30</sup>

Over the historic period from 2012-13 to 2021-22, total expenses increased at an average annual rate of 4.3 percent, with employee costs and 'materials, contracts and other' expenses contributing an equal share of expenses at 39 percent. While employee costs increased by an average of 4.8 percent per annum,<sup>31</sup> 'materials, contracts and other' expenses increased by an average of 3.2 percent, both above average annual inflation for the period of 2.0 percent. At the same time, depreciation, which was nearly

<sup>26</sup> The Council did not publish an approved 2022-23 LTFP that contains the updates consistent with the 2023-24 budget data. The new Council is required by the LG Act to prepare and approve a new LTFP and IAMP within two years of the council election.

<sup>27</sup> The number of rateable properties is forecast to increase at an annual average rate of 0.9 percent over the forecast period.

<sup>28</sup> The Council's own source income was 88 percent of total income in the 2021-22 financial year, compared to the state average of 86 percent. See SA Local Government Grants Commission Report 2 – Sources of Operating Income by Council for 2021-22 Financial Year.

<sup>29</sup> With the increases in income from rates due to only the growth in rateable properties in 2020-21 because the Council voted not to increase rates that year due to the pandemic.

<sup>30</sup> As can be expected when funding is linked to specific projects.

<sup>31</sup> As FTEs increased from 639 FTE in 2012-13 to 714 FTE in 2021-22, an increase of nearly 12 percent over the period.

20 percent of expenses, also increased at a rate above inflation, with an average of 6.2 percent per annum.

Over the forecast period of 2024-25 to 2032-33, total income is forecast to increase in line with the average forecast inflation rate, at an annual average of 2.6 percent, with income from rates increasing by an average of 3.6 percent per annum,<sup>32</sup> which includes growth in line with average inflation and growth in the number of rateable properties at 0.9 percent.

The income from grants, subsidies and other income is forecast to decrease by an annual average of 2.3 percent per annum, which shifts the source of income slightly away from grants, and towards rates and user charges.

While expenses increased at an average annual rate of 4.3 percent over the historic period (more than twice the rate of historic inflation), the Council has forecast that expenses will increase at an annual rate of only 1.8 percent, which is 0.8 percentage points below the forecast average inflation. This is due in part to forecast employee costs, which are over 40 percent of total expenses, increasing slightly below forecast inflation at an annual average rate of 2.2 percent, and by increases in the costs of 'materials, contracts and other' expenses (nearly 39 percent of expenses), forecast to increase at an average annual rate of 2.5 percent, and depreciation (at 18.5 percent of expenses),<sup>33</sup> which is forecast to decrease at an average annual rate of 0.1 percent.<sup>34</sup>

The Commission considers it problematic that the Council's expenses are forecast to increase at a rate lower than forecast inflation, when construction expenses increased historically at a rate higher than inflation<sup>35</sup> and are generally expected to continue to do so over the forecast period.<sup>36</sup> Combined with the continuing low levels of asset renewal, this suggests that the Council might be in a position where it is required to reduce the level of services it delivers, to maintain the operational surplus forecast from 2024-25 through to 2032.<sup>37</sup> This is due to it having not provided adequately for this expenditure in its budget and LTFP, or it being able to find further cost savings or efficiencies in delivering those services.

The operating surplus ratio fluctuated over the historic period, with negative values (i.e. below the LGA lower target of 0) for all but three years over the historic period, and an average value of negative 0.01 percent for the period, which indicates that the Council was not operating sustainably over the historic period.

The main reason the operating surplus ratio sat below the target range over the later years of the historic period, is because the Council did not increase rates (except for growth) in 2020-21 (at the start of the pandemic) and kept the increase below the inflation rate in 2021-22, while increasing expenditure with stimulus programs. Due to compounding effects, the deficit widened, which ensured that the operating surplus ratio remained below the lower target of 0 percent.

However, over the forecast period 2023-24 through to 2032-33, the Council has forecast a return to surplus from 2023-24 onwards, with an average operating surplus of 2.8 percent.

<sup>32</sup> The Council's rates increase policy over the three years 2019-20 through 2021-22, although it gave rates relief during the pandemic, was a major reason the Council had an operating deficit over those years.

<sup>33</sup> The council has indicated in communications in December 2023 that depreciation has been a significant cost pressure due to 'significant asset revaluations over the last few years.

<sup>34</sup> This seems counter-intuitive, because depreciation expenses should not be decreasing as expenditure on materials, contracts and other expenses increase, especially with expenditure due to the current externally funded projects. After decreases of negative 3.3 percent in 2023-24 and negative 7.2 percent in 2024-25, depreciation increases by an average of only 1.2 percent for the last eight years of the forecast period. This suggests that the levels of depreciation have not been updated and included in the current LTFP.

<sup>35</sup> As per the construction price index see <https://www.abs.gov.au/statistics/economy/price-indexes-and-inflation/producer-price-indexes-australia/latest-release#construction>.

<sup>36</sup> See <https://www.propertycouncil.com.au/property-australia/labour-the-biggest-challenge-to-construction-costs-slattery#:~:text=Slattery%20expects%20costs%20escalation%20to,the%20back%20of%20infrastructure%20spend>.

<sup>37</sup> In communications in December 2023, the Council advised that they are 'aiming to break even within the next 2 years (before the current term of council)' and that that they are 'identifying opportunities to improve the operating position' using the strategies of 'reducing reliance on rates revenue and reviewing costs'.

The Council has attempted to achieve budget savings (e.g. the \$8 million mentioned in the 2023-24 budget<sup>38</sup>), and it might be beneficial for the Council to develop cost reduction plans with annual cost reduction targets for each area of operations that is included in, and with achievements reported in its budgets<sup>39</sup> to hold itself accountable, and provide transparency to its ratepayers.

To ensure the Council achieves best practice in line with the LGA targets, the Commission considers it appropriate for the Council to:

5. **Consider** options to increase income to move forward to a more financially sustainable position.
6. **Monitor** and **report** the growth in costs, including employee expenses, to ensure costs are constrained to forecast levels, to ensure the operating performance is not negatively impacted by a lack of cost control.
7. **Consider** adopting cost saving targets and reporting the projected and actual cost savings in the annual budget and long-term financial plan, to provide evidence of controlling the growth in costs and achieving efficiencies across its operations and service delivery.

### Net financial liabilities

#### Key Points:

- ✓ Between 2012-13 and 2021-22, the net financial liabilities ratio averaged 60.6 percent.
- ✓ Between 2023-24 and 2032-33, the net financial liabilities ratio is forecast to average 67.1 percent.

The net financial liabilities ratio<sup>40</sup> sits within the LGA target range for the entire historical and forecast periods, with an average value of 60.6 percent for the historical period, and 67.1 percent for the forecast period. Although the value of the ratio increased somewhat over these time periods, peaking at 83.7 percent in 2023-24, the ratio indicates that the Council was able to finance its financial obligations from operating income over both the historical and forecast periods.

It is not clear from the budget and LTFP what strategies the Council plans to employ to reduce debt by such substantial amounts to assist it to return to a sustainable position, while at the same time, ensuring that the appropriate level of asset renewal expenditure is maintained. The Commission notes that the Council is currently updating its LTFP, which ideally should include a range of strategies to reduce debt, while not reducing service levels. This should include the rationalisation and sale of assets, including the disposal of aged assets that incur high maintenance and renewal costs, over the term of the new LTFP.<sup>41</sup>

Along with the reduction in borrowings and total liabilities, cash and cash equivalents at year end, are forecast to increase from 2023-24 onwards at an average of 8.0 percent per annum, a rate stronger than forecast increases in both income and repayment of borrowings.

For the Council to strive towards achieving and maintaining financial sustainability, the Commission considers it appropriate for the Council to:

<sup>38</sup> See City of Onkaparinga Annual Business Plan and Budget 'From the Mayor' p. 4.

<sup>39</sup> Which is also linked to projects undertaken during each financial year.






<sup>40</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. 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>41</sup> As stated in the 2023-24 budget (p. 41) and as required under the LGA Act.

8. **Develop** a staged plan and identify targets to reduce the high level of debt and report the achievements against targets in the annual budget and long-term financial plan.
9. **Identify** and dispose of those assets that have reached the end of their useful lives, or are excess to requirements, to reduce debt and exposure to future liabilities.

### Asset renewals expenditure

#### Key Points:

-  Between 2012-13 and 2021-22, the asset renewal funding ratio averaged 78 percent.
-  The forecast asset renewal funding ratio over the next 10 years is projected to average 92.1 percent.
-  To facilitate an improved understanding of its asset base, current asset condition, and the service levels required, the Council should develop and regularly update separate asset management plans for each of its major asset groups that are linked to the asset register, and coordinate this data with the SAMP, budget and LTFP, which it does not currently have in place.
-  The net asset renewal expenditure in the LTFP is not aligned to the IAMP renewal expenditure. This aspect of expenditure should be addressed in the current LTFP to ensure that the Council evaluates and addresses its asset renewal requirements.
-  Council should identify assets that are obsolete or no longer required, with the intention of disposing of those assets to reduce maintenance and/or repairs costs and exposure to future liabilities.

The asset renewal funding ratio – renewal expenditure based (net), was volatile throughout the 10-year historic period, and averaged 78 percent over the period,<sup>42</sup> which lies below the lower end of the LGA target ratio of 90 percent. This indicates that the Council has failed to renew or replace its existing infrastructure assets to maintain the level of services over the historical period.

The Council must have a solid understanding of its asset base, with up-to-date condition assessments and knowledge of the service levels required for each asset.<sup>43</sup> Since the Council is also still growing, the Council faces the continuing need to service new subdivisions as well as the redevelopment of older subdivisions, and the LTFP forecast funding should accommodate these asset management requirements.

To facilitate an improved understanding of its asset base, current asset condition, and the service levels required, the Council should draft separate asset management plans for each of its major asset groups that are linked to the asset register, and coordinate this data with the SAMP, budget and LTFP.<sup>44</sup> These asset group management plans should then be updated regularly in line with the annual review and update of the SAMP.

Over the forecast period, the average value of the asset renewal funding ratio (net) improves, and the average for the period of 92.1 percent sits within the LGA target range of 90 to 110 percent. This means

<sup>42</sup> The Council advised in communications with the Commission that it decided to defer capital expenditure in some historic years to assist with the budget position, which has impacted on the asset renewal funding ratio.

<sup>43</sup> The Council is migrating its assets register data to 'One Council' and anticipates that this will assist in making informed decisions regarding maintenance, repairs and asset replacements. See City of Onkaparinga Strategic Asset Management Plan Update 2022-23 p. 2.

<sup>44</sup> This is supported in the KPMG City of Onkaparinga Strategic Asset Management report September 2022 p. 6.

that the Council plans to undertake asset renewal at levels below that as set out in the IAMP.<sup>45</sup> The IAMP assists the Council manage its infrastructure and other assets to an agreed level of service, however, as the Council advised,<sup>46</sup> the net asset renewal expenditure in the LTFP is not aligned to the IAMP renewal expenditure, and this aspect of expenditure should be addressed in the current LTFP to ensure that the Council evaluates and addresses its asset renewal requirements.

Over the historic period, the asset renewal funding ratio (depreciation based)<sup>47</sup> has an average value of 71.1 percent for the period, and only sits within the target range of 90 to 110 percent for one year out of the 10 (in 2016-17).<sup>48</sup> Although it improves somewhat over the forecast period, it only sits within the 90 to 110 percent target range over the last four years. Along with the increasing levels of cash over the forecast period,<sup>49</sup> this indicates that the Council might be planning to spend too little from 2023-24 through 2028-29 to maintain the level of services, and risks incurring high repairs and maintenance expenses to maintain its existing assets, which is a continuation of the expenditure pattern over the historic period.<sup>50</sup>

This trend can also be seen in the relationship between net asset renewal and depreciation, where the values of net asset renewal expenditure remain below the levels of depreciation for all but two years of the historic and forecast periods (i.e., 2016-17 and 2032-33). This underspending on asset renewal is reflected in both the increasing levels of cash held at year end seen over the forecast period,<sup>51</sup> and in the renewal/replacement gap (both IAMP renewals based and depreciation gap), which covers 2013-14 through to 2032-33.<sup>52</sup>

Although the Council explained that the low levels of asset renewal expenditure planned over 2022-23 and 2023-24 are due to the Council prioritising the completion of projects funded by the State and Commonwealth Governments before the 30 June 2024 deadline,<sup>53</sup> this is followed by increased expenditure from 2024-25 on the renewal and replacement of assets, which does not compensate for the earlier low levels of expenditure, and the requirement to address the future stream of liabilities arising from the recent expenditure on new assets.<sup>54</sup>

The effects of the deficit of net asset renewal relative to IAMP renewal over the historic period continues into the forecast period, and is also seen as a drop in the asset value per property after 2025-26. It is

---

<sup>45</sup> The Council advised in communications in December 2023 that the LTFP adopted in February 2021 and aligned to the financial forecasts in the SAMP, and in the 2022-23 update, a decision was made to reduce the capital forecasts for the Local Roads and Community Infrastructure Program stimulus funding, which has created a misalignment between the SAMP and LTFP.

<sup>46</sup> In communications with the Commission in December 2023.

<sup>47</sup> Where asset renewal/replacement expenditure is divided by the depreciation expenses.

<sup>48</sup> As mentioned earlier, the Council advised that it deferred some capital expenditure to improve the annual budget outcome over the latter years of the historical period. Since the Council advised it has limited resources, it has now prioritised the state and federally funded projects that it had committed to deliver within a short timeframe (by the end of 2024-25). As a consequence, other planned capital expenditure was deferred until after 2024-25.

<sup>49</sup> As discussed in the previous section and shown in the chart 'Cash and cash equivalents at the end of the period.'

<sup>50</sup> Which, according to the Council, is due to a reduction in assets renewal expenditure in 2022-23. The Council recognises that the current LTFP and AMPs are now not consistent and expects that capital renewal expenditure will be re-aligned to the AMPs during the current update of the AMPs. See Materials Amendments Reasons for asset renewal funding ratio in the Financial Template.

<sup>51</sup> Over the forecast period, the value of cash and cash equivalents at year end is forecast to grow steadily at an average annual rate of 8 percent, which sits well above the forecast annual growth in income of 2.57 percent. This can be attributed to the gap between depreciation and the lower levels of expenditure on the renewal and replacement of assets. Expenditure on the renewal and replacement of assets dropped by an average of 2.3 percent per annum over the historical period. Although this expenditure is forecast to increase by 4.8 percent per annum over the forecast period, it is calculated from a low base. New and upgraded capital expenditure declines in 2024-25 and 2025-26, and then has a value of '0' for the rest of the forecast period.

<sup>52</sup> See above.

<sup>53</sup> Funding made available to build new assets requires an increased maintenance budget, which is currently not funded, and these new assets will require renewal in the future.

<sup>54</sup> Along with the initial expenditure on new assets (even those externally funded), the Council should consider the future stream of liabilities created.

imperative that an update of the IAMP is completed to enable the Council to reassess its asset renewal plans.




Along with the review of its assets, the Council should be mindful of identifying assets that are obsolete or no longer required, with the intention of disposing of any assets that are no longer required. This rationalising of assets will not only potentially add to Council revenue, but also reduce maintenance and/or repair costs that would have been incurred.<sup>55</sup>

To align the average rate of consumption of its assets, as indicated by its depreciation expenses, and the annual spending on the renewal of its asset base over time, the Commission considers that it would be appropriate that the Council to:

10. **Review** the asset valuations, their remaining useful lives and corresponding depreciation schedules regularly to ensure they reflect current values, and incorporate this information into the strategic asset management plan and include these expenditure forecasts in the annual budget and annual long-term financial plan update.
11. **Undertake** the good practice of developing and regularly updating the individual asset management plans for each asset group and coordinate the data in these asset management plans with the infrastructure asset management plan, budget, and long-term financial plan.
12. **Provide** more funding for asset renewals rather than prioritising initiatives which involve new or upgraded infrastructure.
13. **Continue** to hold community consultations and conduct surveys to identify community priorities and desired service levels as part of the planning process for its strategic management plans.

### 2.2.3 Advice on current and projected rate levels

#### Key Points:

-  Rate revenue per property increased at an average rate of 3.1 percent per annum over the 10-year historic period, which is more than 1.5 times the average rate of inflation (2.0 percent over the historic period).
-  The forecast rate increase between 2023-24 to 2032-33 is 2.7 percent per property per annum, which is generally in line with the RBA-Inflation forecast over the period.
-  Affordability risk among the community for the further rate increases appears to be low on balance, when considering:
  - the Council's relative average socio-economic indexes for areas (SEIFA) economic resources ranking,
  - the current relatively low average rates (across most ratepayers), and
  - the forecast increases in rates of 2.7 percent per rateable property, which sits slightly above forecast inflation over the term of the LTFP.

The Council currently has rates that sit just below the average for the State of South Australia, with average rates per property in 2020-21 calculated at \$1,663 per rateable property, compared to the state average of \$1,665 per property.<sup>56</sup>

<sup>55</sup> Of course, any program for the disposal of assets will require community consultation, e.g., the Council's water assets decision in November 2023.

<sup>56</sup> As calculated by the SA Local Grants Commission and included in Finance Report 6 – Council Rating Arrangements for 2021-22 financial year.

The Commission notes that rates for the Council are close to the average for all councils in South Australia, and that the SEIFA<sup>57</sup> ranking for the Council community is in the middle of the ranking for advantage and disadvantage,<sup>58</sup> which means that the ratepayers may have the capacity to pay an average level of rates.

The Council's rate revenue per property increased at an average rate of 3.1 percent per annum over the 10-year historic period,<sup>59</sup> which is more than 1.5 times the average rate of inflation (2.0 percent over the historic period) and are forecast to increase by an average of 2.7 percent per annum over the forecast period, which is slightly above the rate of forecast inflation (of 2.6 percent). This means that average rates per property are projected to remain around the mid-range of rates in the State.

The Council stated that it intends to increase rates over the forecast period generally in line with the CPI,<sup>60</sup> with forecast rates increasing at an annual average of 2.7 percent over the 10-year forecast period.

While the current economic environment is putting more pressure on many communities' capacity to pay for further rate increases, including those of the Council, on balance, the affordability risk among the Council's community for these further rate increases appears to be low, when considering:

- ▶ the Council's relative average socio-economic indexes for areas (SEIFA) economic resources ranking for the Onkaparinga Council area<sup>61</sup> of 37 of 71, which places residents in the middle range of advantage and disadvantage,
- ▶ the historic average increases in rates of 3.1 percent per annum, which is above the average annual inflation increase of 2.0 percent per annum for the period,<sup>62</sup>
- ▶ the current average level of rates (across most ratepayers), which rank 32<sup>nd</sup> out of 72 Councils when ranked from highest to lowest rates in South Australia and sitting slightly below the average rates in the state,<sup>63</sup> and
- ▶ the forecast increases in rates of 2.7 percent per rateable property, which sits slightly above forecast inflation over the term of the LTFF.<sup>64</sup>

Given historical rate increases and the community's apparent capacity to pay, it would be appropriate for the Council to:

<sup>57</sup> The SEIFA index is the relative socio-economic indexes for areas economic resources ranking, and the ranking for Onkaparinga is 37 among 71 South Australian 'local government areas' (including Anangu Pitjantjatjara and Maralinga Tjarutja Aboriginal community areas and 'unincorporated SA') on the Australian Bureau of Statistics SEIFA Index of Economic Resources (2021), where a lower score (e.g., 1) denotes relatively lower access to economic resources in general, compared with other areas, with information available at [Socio-Economic Indexes for Areas \(SEIFA\), Australia, 2021 | Australian Bureau of Statistics \(abs.gov.au\)](https://www.abs.gov.au/australian-bureau-of-statistics/publications/collections/110100/seifa)

<sup>58</sup> See [https://councilsinfocus.sa.gov.au/councils/city\\_of\\_onkaparinga](https://councilsinfocus.sa.gov.au/councils/city_of_onkaparinga) for comparative rates information.

<sup>59</sup> Which includes the low increases approved during the period 2019-20 through 2021-22 to provide relief during the pandemic.

<sup>60</sup> See City of Onkaparinga Budget 2023-24 p. 39.

Note that the Council refers to rates income increasing by 'CPI plus growth', which means that the total income from rates is forecast to increase due to both increases in inflation and the growth in the number of rateable properties.

<sup>61</sup> The Onkaparinga Council area is ranked 37 among 71 South Australian 'local government areas' (including Anangu Pitjantjatjara and Maralinga Tjarutja Aboriginal community areas and 'unincorporated SA') on the Australian Bureau of Statistics SEIFA Index of Economic Resources (2021), where a lower score (e.g., 1) denotes relatively lower access to economic resources in general, compared with other areas, with information available at [Socio-Economic Indexes for Areas \(SEIFA\), Australia, 2021 | Australian Bureau of Statistics \(abs.gov.au\)](https://www.abs.gov.au/australian-bureau-of-statistics/publications/collections/110100/seifa).

<sup>62</sup> Which includes the rates relief granted by the Council during 2020-21 and 2021-22.

<sup>63</sup> With average rates in Onkaparinga Council calculated at \$1663 per property, compared to the state average of \$1665 per property as calculated by the SA Local Government Grants Commission in Finance Report 6 – Council Rating Arrangements for 2021-22 financial year.

<sup>64</sup> That is, an average annual increase per property of 2.69 percent compared to a forecast annual average rate of 2.6 percent.

14. **Continue** to consider limiting future increases in rates to no more than expected inflation to reduce any emerging affordability risk in the community.

## 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 Council's:

- ▶ ongoing performance against its current LTFP estimates,
- ▶ the identification of opportunities for cost savings, including the disposal of assets that are surplus to requirements to reduce debt, and exposure to future liability streams,
- ▶ achievement of cost savings to reduce debt, including the sale of assets, and reporting savings achieved in its plans,
- ▶ the reassessment of its planned asset renewal and replacement expenditure, and
- ▶ the Council's efforts to minimise any emerging affordability risks.



The Essential Services Commission  
Level 1, 151 Pirie Street Adelaide SA 5000  
GPO Box 2605 Adelaide SA 5001  
T 08 8463 4444

E [escosa@escosa.sa.gov.au](mailto:escosa@escosa.sa.gov.au) | W [www.escosa.sa.gov.au](http://www.escosa.sa.gov.au)



## Appendix 12

ESCOSA  
recommendations  
and council response

# ESCOSA RECOMMENDATIONS

Recommendations	Response
<b>BUDGETING CONSIDERATIONS</b>	
<p><b>Recommendation 1</b> - Ensure that the long-term financial plan is prepared every year as year as required by the LG Act.</p>	<p>The LTFP was fully reviewed and adopted in November 2024. An updated LTFP is being prepared as part of the 2025-26 annual budget process.</p>
<p><b>Recommendation 2</b> - Update and coordinate the data in the long-term financial plan and annual budget by clearly identifying the annual inflation and other relevant assumptions as inputs to its projected revenue (including rates) and expenditure, to provide transparency to the community.</p>	<p>A report to the Audit &amp; Risk Committee on 6 February 2025 outlined the assumptions that would be used in the development of the annual budget and LTFP update, including inflation rates, rate increases and expenditure assumptions. This report also discussed the alignment to the adopted LTFP.</p>
<p><b>Recommendation 3</b> - Start to provide an annual statement of financial sustainability as required by the LG Act.</p>	<p>A CEO statement of financial sustainability has been included in adopted LTFP.</p>
<p><b>Recommendation 4</b> - Review its long-term financial plan annually (including its 10-year projections and all relevant assumptions (including for inflation)) to better inform its decision-making and any relevant consultation processes.</p>	<p>The LTFP adopted in November 2024 included detail about the assumptions used, including inflation rates, growth, interest rates and sources of revenue. Changes to these assumptions will be identified in the budget and annual LTFP updates.</p>
<b>CONTINUING TO PROVIDE EVIDENCE OF ONGOING COST EFFICIENCIES</b>	
<p><b>Recommendation 5</b> - Consider options to increase income to move forward to a more financially sustainable position.</p>	<p>As part of the updated LTFP, a new set of principles has been adopted by Council, which includes the following: <i>Council decreases its reliance on rates by increasing revenue from alternative sources.</i></p> <p>Council have indicated there is a strong appetite to look at both maximising existing revenue opportunities and exploring new opportunities, and this will continue to be a focus.</p>

<p><b>Recommendation 6</b> - Monitor and report the growth in costs, including employee expenses, to ensure costs are constrained to forecast levels to ensure the operating performance is not negatively impacted by a lack of cost control.</p>	<p>This recommendation will be captured in the annual budget and LTFP updates.</p>
<p><b>Recommendation 7</b> - Consider adopting cost saving targets and reporting the projected and actual cost savings in the annual budget and long-term financial plan to provide evidence of controlling the growth in costs and achieving efficiencies across its operations and service delivery.</p>	<p>This recommendation will be considered as part of each budget and LTFP update.</p>
<p><b>Recommendation 8</b> - Develop a staged plan and identify targets to reduce the high level of debt, and report the achievements against targets in the annual budget and long-term financial plan.</p>	<p>It is recognised that there is a need to implement a robust debt management strategy. The first priority for Council has been on budget repair and returning the budget to an ongoing surplus position in order to provide better financial resilience as well as cash surpluses. Further development of a strategy to manage debt will continue to be a focus.</p>
<p><b>Recommendation 9</b> - Identify and dispose of those assets that have reached the end of their useful lives, or are excess to requirements, to reduce debt and exposure to future liabilities.</p>	<p>The updated LTFP contains an assumption for sale of surplus assets, with work being done to progress this. This will need to be further progressed with the current Council to see this assumption realised.</p>
<p><b>REFINEMENTS TO ASSET MANAGEMENT PLANNING</b></p>	
<p><b>Recommendation 10</b> - Review the asset valuations, their remaining useful lives and corresponding depreciation schedules regularly to ensure they reflect current values, and incorporate this information into the strategic asset management plan and include these expenditure forecasts in the annual budget and annual long-term financial plan update.</p>	<p>The Strategic Asset Management Plan (SAMP) and LTFP were both reviewed, updated and adopted in November 2024, with the capital works requirements for renewal and new &amp; significant upgrade works aligning across the two plans.</p> <p>Reviews of asset valuations, unit rates, useful lives and depreciation are currently ongoing to ensure these are reflective of how assets are consumed and replaced.</p>
<p><b>Recommendation 11</b> - Undertake the good practice of developing and regularly updating the individual asset management plans for each asset group and coordinate the data in these asset management plans with the infrastructure asset management plan, budget, and long-term financial plan.</p>	<p>Asset management plans for the individual asset classes have been developed, with key data informing the SAMP. Financial requirements from the SAMP are incorporated into the adopted LTFP and will be aligned in all future updates.</p>
<p><b>Recommendation 12</b> - Provide more funding for asset renewals rather than prioritising initiatives which involve new or upgraded infrastructure.</p>	<p>Asset renewal requirements are determined from the asset management plans and are incorporated into the SAMP and LTFP; however it is noted that the priority for delivery should be on asset renewal as opposed to new</p>

	infrastructure. It is noted that in some cases it may be necessary to upgrade or build new infrastructure to manage emerging risks such as the impacts of climate change.
<b>Recommendation 13</b> - Continue to hold community consultations and conduct surveys to identify community priorities and desired service levels as part of the planning process for its strategic management plans.	This will continue to be done.
<b>CONTAINING RATE LEVELS</b>	
<b>Recommendation 14</b> - Continue to consider limiting future increases in rates to no more than expected inflation to reduce any emerging affordability risk in the community.	Following a need to increase rates above inflation in 2024-25 for budget repair, the rate revenue increase for 2025-26 has been set at just under the CPI for Adelaide at December 2024. Future rate revenue increases in the adopted LTFP are aligned to CPI.

# Your Say

Provide your feedback on the draft  
Annual Business Plan and Budget 2025–26.

**Consultation closes** Sunday 11 May

Scan the QR code or visit [onkaparingacity.com/yoursay](https://onkaparingacity.com/yoursay)