

# 2026/27 Annual Business Plan, Budget & Long-Term Financial Plan

## 2026/27 Annual Business Plan, Budget & Long-Term Financial Plan

### Contents

|                                                                               |    |
|-------------------------------------------------------------------------------|----|
| Welcome from the Mayor .....                                                  | 4  |
| Our Strategic Planning and Reporting Framework .....                          | 6  |
| Our Vision, Goals & Themes – Mitcham 2030 .....                               | 7  |
| Our Mitcham .....                                                             | 8  |
| Our Services, Projects, Government Commitments and Areas of Measurement ..... | 9  |
| New Services and Projects .....                                               | 9  |
| Operating Projects – One-off Initiatives and Programs .....                   | 11 |
| Ongoing Services .....                                                        | 12 |
| Areas of Measurement .....                                                    | 13 |
| Our 2026/27 Annual Business Plan & Budget .....                               | 15 |
| Council's Expenditure in 2026/27 .....                                        | 16 |
| Council's Income in 2026/27 .....                                             | 19 |
| Council's Rates in 2026/27 .....                                              | 21 |
| Amendments from the Draft Annual Business Plan .....                          | 25 |
| Our Long-Term Financial Plan .....                                            | 26 |
| Funding Plan .....                                                            | 38 |
| CEO's Statement on Financial Sustainability .....                             | 41 |
| ESCOSA Local Government Advice (2024) .....                                   | 46 |
| 10 Year Key Financial Indicators .....                                        | 49 |
| Forecast Financial Statements .....                                           | 56 |
| Appendices .....                                                              | 61 |
| Appendix 1: Budgeted Financial Statements .....                               | 62 |
| Appendix 2: Capital Works Program 2026/27 .....                               | 65 |

## **2026/27 Annual Business Plan, Budget & Long-Term Financial Plan**

|                                                                                                    |     |
|----------------------------------------------------------------------------------------------------|-----|
| Appendix 3: Rating Policy 2026/27 .....                                                            | 86  |
| Appendix 3.1: Postponement of Rates Scheme for State Seniors Card Holders .....                    | 99  |
| Appendix 3.2: Application Form – Postponement of Rates Scheme for State Seniors Card Holders ..... | 102 |
| Appendix 3.3: Rate Rebates .....                                                                   | 105 |
| Appendix 3.4: Statement on Expected Rate Revenue .....                                             | 108 |
| Appendix 4: ESCOSA Local Government Advice (2024) .....                                            | 110 |

## 2026/27 Annual Business Plan, Budget & Long-Term Financial Plan

Art installation 'Charlie and Bella' by artist Karl Meyer at CC Hood Reserve, Panorama



## 2026/27 Annual Business Plan, Budget & Long-Term Financial Plan

### Welcome from the Mayor

On behalf of the City of Mitcham, I'm pleased to present the 2026-2027 Annual Business Plan, Budget and Long-Term Financial Plan.

In designing the budget it is always difficult to balance the needs of the community with the capacity to pay, but this year, the task has been even more challenging as both Council and our residents are affected by high inflation.

Rates are set to increase by an average of 6.38 per cent which equates to an average increase of \$151 per household. Most of this rise results from the increased cost of delivering our services, however we have heard from the community that they are keen to see additional services that help increase safety, reduce cost of living and react to climate change.

This year's budget includes a commitment to extend library opening hours to open earlier on weekdays and close later on Fridays, responding to strong community support for more open and accessible community spaces.

We're supporting safer and more accessible community sport by opening up public access to tennis courts at Reade Park Reserve and Nieass Reserve, alongside upgrades at Batchelor Reserve and targeted traffic management measures in Cumberland Park, Daw Park and Colonel Light Gardens (West).

The budget continues Council's work in environment and sustainability, including community energy programs to help

reduce household energy costs, taking further action on climate risks and implementing water sensitive urban design measures.

By changing the way we manage free green waste drop-off days residents will now be able to access additional free days throughout the year which will help with bushfire preparedness. We will continue to help residents plant more greenery on verges to cool our streets, and welcome a new electric community bus.

The budget also includes a commitment to continue works to upgrade the stormwater network to reduce the risk of flooding.

Thank you to everyone who contributed as part of the budget process. Your feedback is invaluable in helping shape the future of our city.



Dr Heather Holmes-Ross  
Mayor, City of Mitcham

## 2026/27 Annual Business Plan, Budget & Long-Term Financial Plan

Young Street redevelopment, Blackwood



### Our Strategic Planning and Reporting Framework

Council has a suite of strategic documents that work together to describe Council's long-term aspirations, prioritise key areas of focus and identify specific funded actions to deliver each year.



**Mitcham 2030** sets the high-level vision and strategic direction for Council over ten years. It provides 12 Themes which capture Council's services and projects and identifies the high-level outcomes that we will strive to deliver.

To turn the ambitions of Mitcham 2030 into actions, a **Four Year Delivery Plan** identifies 'Priority Themes' as areas that Council will focus additional effort and/or investment on during

a four-year period. This enables Council to prioritise investment and assign resources to particular challenges or opportunities.

The Delivery Plan maps priority investments across four years with a particular focus on these investments being within the Priority Themes.

The priority investments of the Delivery Plan inform Council's Annual Business Plan and Budget which sets out the actions that Council will deliver each financial year, including existing services and new services / projects.

Council has several other documents that are used in varying ways to reference, inform, deliver and report on its work, such as a Long-Term Financial Plan, Asset Management Plans and other strategies/plans.

Community insights (high level indicators) are included in the Delivery Plan to track Council's progress towards achieving its vision. The indicators formed a community survey which was undertaken in late 2020 and again in late 2021, to baseline community satisfaction and perception with Council. The indicators will be supported by other data sources as necessary.

Quarterly Performance Reports to Council document the organisation's progress in delivering the activities, projects and ongoing services captured in Council's Annual Business Plan. Council's Annual Report identifies Council's activities and achievements towards achieving its goals and outcomes. Performance measures are identified against projects and ongoing services in this plan.

## Our Vision, Goals & Themes – Mitcham 2030





**WE ARE A WELCOMING AND INCLUSIVE COMMUNITY THAT VALUES ITS HERITAGE AND NATURAL ENVIRONMENT.**

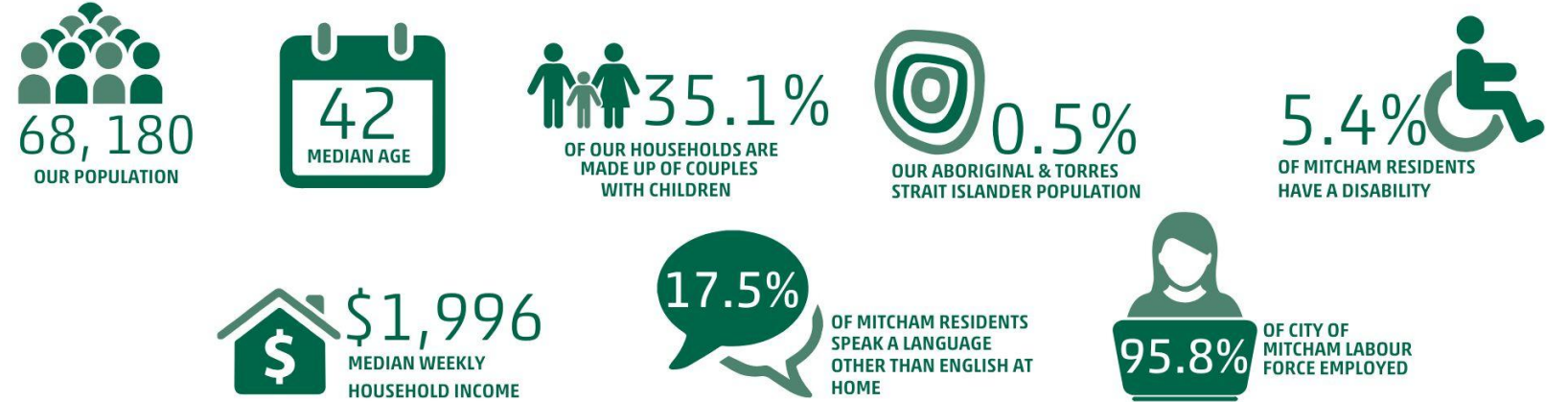
| GOAL 1                                                                                                                                                                                                                                                                                        | GOAL 2                                                                                                                                                                                                                                                                                    | GOAL 3                                                                                                                                                                                                                                                                                                                 | GOAL 4                                                                                                                                                                                                                                                                                                                   |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ACCESSIBLE, HEALTHY &amp; CONNECTED COMMUNITY</b>                                                                                                                                                                                                                                          | <b>SUSTAINABLE CITY</b>                                                                                                                                                                                                                                                                   | <b>DYNAMIC &amp; PROSPEROUS PLACES</b>                                                                                                                                                                                                                                                                                 | <b>EXCELLENCE IN LEADERSHIP</b>                                                                                                                                                                                                                                                                                          |
| <p>We connect our community with each other and with their places, and empower them to live healthy lives.</p>                                                                                                                                                                                | <p>We sustain and improve our natural and built environments for today's and future generations.</p>                                                                                                                                                                                      | <p>We have a strong and competitive economy that supports our unique and vibrant places and culture.</p>                                                                                                                                                                                                               | <p>We are a professional and innovative Council with responsible leadership that is valued by its people, community and partners.</p>                                                                                                                                                                                    |
| <p><b>THEME 1. 1 TRANSPORT NETWORK</b></p> <p>We are a City that is connected to places through an integrated, efficient and people friendly transport network for motorists, cyclists and pedestrians.</p>  | <p><b>THEME 2. 1 CLIMATE CHANGE MITIGATION &amp; RESILIENCE</b></p> <p>We limit our impact on the climate, and are prepared and adaptable to the impacts of climate change.</p>                          | <p><b>THEME 3. 1 PLACEMAKING</b></p> <p>We have a spatial vision that guides the development of integrated, attractive and vibrant precincts that support diverse land uses and housing choice.</p>                                 | <p><b>THEME 4. 1 GOOD GOVERNANCE</b></p> <p>We are transparent and accountable, make informed decisions, demonstrate integrity and empower our community to have a voice and participate in a meaningful way.</p>                    |
| <p><b>THEME 1. 2 HEALTH &amp; WELLBEING</b></p> <p>We build capacity for people to be active, healthy and connected, and provide inclusive and safe environments for all.</p>                              | <p><b>THEME 2. 2 SUSTAINABLE RESOURCES</b></p> <p>We conserve resources through efficient practices, investment in technology, waste avoidance, and a commitment to reuse, recycle and repurpose.</p>  | <p><b>THEME 3. 2 CITY VIBRANCY</b></p> <p>We are a City well recognised for our social and cultural diversity, creativity, arts, events, heritage, natural environment, educational and medical facilities.</p>                   | <p><b>THEME 4. 2 ORGANISATIONAL IMPROVEMENT</b></p> <p>We are efficient and effective with a culture of positive change and innovation to deliver sustainable outcomes and value-for-money services that meet community needs.</p>  |
| <p><b>THEME 1. 3 SERVICES &amp; FACILITIES</b></p> <p>We provide convenient access to a diverse range of information, services, activities and facilities for our community.</p>                           | <p><b>THEME 2. 3 NATURAL ENVIRONMENT</b></p> <p>We protect and enhance the environment and its biodiversity across natural landscapes, waterways, open spaces and across our suburbs.</p>              | <p><b>THEME 3. 3 PARTNERSHIPS</b></p> <p>We partner with neighbouring Councils, Government, universities, the private sector, not-for-profit organisations and community groups to maximise community and economic outcomes.</p>  | <p><b>THEME 4. 3 COMMUNITY EXPERIENCE</b></p> <p>We are easy to do business with and commit to a customer-centric approach that delivers positive experiences and builds trust.</p>                                                 |

# Our Mitcham

## COUNCIL MANAGES



## COMMUNITY PROFILE



## Our Services, Projects, Government Commitments and Areas of Measurement

Council delivers a range of ongoing services to the community each year. In addition, Council funds specific new services and projects, and one-off operating projects aligned to the Four Year Delivery Plan and Mitcham 2030.

Community Insights (high level indicators) are included to enable ongoing monitoring and review of Council's progress and effectiveness towards achieving its goals and outcomes.

### New Services and Projects

Council has identified a number of new services and projects that it will deliver in 2026/27, aligned to the Four Year Delivery Plan and Mitcham 2030.

| Service / Project                                                                                                                                                                                                                    | Primary Mitcham 2030 Theme                        |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|
| <b>Affordable Household Energy</b><br>Feasibility studies and resourcing to continue to grow community energy programs.                                                                                                              | Theme 2.1 Climate Change Mitigation & Resilience* |
| <b>Dedicated Long-Term Financial Planning Software</b><br>Replace Council's Excel model with dedicated software to improve accuracy, reduce risk and support better decisions.                                                       | Theme 4.1 Good Governance*                        |
| <b>Increasing Library Operating Hours</b><br>Provide resourcing to increase the operating hours of Mitcham Library Service at Mitcham Memorial Library and Tiwu Kumangka.                                                            | Theme 1.2 Health & Wellbeing                      |
| <b>Local Area Traffic Management - Cumberland Park, Daw Park and Colonel Light Gardens (West)</b><br>Implement Stage 2 of the Daw Park, Cumberland Park and Colonel Light Gardens West Local Area Traffic Management Study outcomes. | Theme 1.1 Transport Network                       |
| <b>Provision for Minor New Capital Requests in Open Spaces</b><br>Funding allocation to implement prioritised additional minor new capital projects in open spaces.                                                                  | Theme 1.3 Services & Facilities                   |

## 2026/27 Annual Business Plan, Budget & Long-Term Financial Plan

|                                                                                                                                                                                                              |                                                   |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|
| <b>Responding to Climate Risks</b><br>Climate Risk Assessment Treatment/Response Plan.                                                                                                                       | Theme 2.1 Climate Change Mitigation & Resilience* |
| <b>Upgrading the Stormwater Network to Reduce Flooding</b><br>Construct new or upgraded stormwater infrastructure to improve flood mitigation.                                                               | Theme 2.1 Climate Change Mitigation & Resilience* |
| <b>Water Sensitive Urban Design (WSUD) Implementation</b><br>Invest in ongoing WSUD implementation by installing tree inlets, raingardens, soakage pits and similar assets in coordination with civil works. | Theme 2.2 Sustainable Resources                   |

\* *Priority Theme*

## Operating Projects – One-off Initiatives and Programs

In addition to the new service investments, Council will undertake several operating projects, which are one-off expenditures that are essential for Council to plan for future service delivery. They do not generate ongoing expenditure or create assets that need to be maintained or replaced. This can include things such as feasibility studies, plans or one-off events. Council has identified a number of operating projects to be delivered in 2026/27.

| One-off Operating Project                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Primary Mitcham 2030 Theme                        |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|
| <b>2026 Community Christmas Lunch</b><br>Provide a community Christmas lunch for marginalised members of the community.                                                                                                                                                                                                                                                                                                                                                        | Theme 1.2 Health & Wellbeing                      |
| <b>Additional Bushfire Preparedness - Fire Track Improvements</b><br>Continue fire track upgrade and enhanced maintenance works.                                                                                                                                                                                                                                                                                                                                               | Theme 2.3 Natural Environment                     |
| <b>Affordable Household Energy</b><br>Undertake feasibility studies into a Mitcham Virtual Energy Network, enabling electricity to be exchanged within the community. Additionally, investigate the feasibility of developing a solar farm within the City of Mitcham which could provide energy to the Virtual Energy Network and/or in which residents could purchase a small share to power their demands.                                                                  | Theme 2.1 Climate Change Mitigation & Resilience* |
| <b>Godden Reserve to Delwood Reserve Concept Plan</b><br>Develop concept plans in consultation with the community for pedestrian connectivity, playground consultation and creek rehabilitation / layback.                                                                                                                                                                                                                                                                     | Theme 2.1 Climate Change Mitigation & Resilience* |
| <b>Placemaking Theme Focus Areas</b><br>Progress key strategic projects, including <i>Winston Avenue: From Vision to Action</i> , the <i>Strategic North–South Pedestrian Link at Blackwood</i> , and <i>Mitcham Centre Strategic Growth</i> . Project delivery and resourcing will be prioritised to focus primarily on Winston Avenue and the Strategic Pedestrian Link, while continuing discussions with key stakeholders to explore opportunities for the Mitcham Centre. | Theme 3.1 Placemaking*                            |
| <b>Rental Funding for the Blackwood Environment Centre</b><br>Provide 12 months of rental funding to continue delivering community-based environmental programs.                                                                                                                                                                                                                                                                                                               | Theme 2.2 Sustainable Resources                   |

\* Priority Theme

## Ongoing Services

Council delivers a range of ongoing services to the community each year. The services are identified at a high level in the following table against Mitcham 2030 goals and themes.

| Goal 1: Accessible, Healthy & Connected Community |                                                      |                                                               |
|---------------------------------------------------|------------------------------------------------------|---------------------------------------------------------------|
| Theme 1.1 Transport Network                       | Theme 1.2 Health & Wellbeing                         | Theme 1.3 Services & Facilities                               |
| Traffic and transport infrastructure management   | Regulations, registrations, inspections and controls | Community facilities hire and management                      |
|                                                   | Bushfire management                                  | Library                                                       |
|                                                   | Immunisation                                         | Open space, sport facilities and Council buildings management |
|                                                   | Youth development                                    | Community programs                                            |
|                                                   | Community care                                       | Sports support                                                |
| Goal 2: Sustainable City                          |                                                      |                                                               |
| Theme 2.1 Climate Change Mitigation & Resilience  | Theme 2.2 Sustainable Resources                      | Theme 2.3 Natural Environment                                 |
| Environmental planning and project implementation | Water management                                     | Native vegetation management                                  |
|                                                   | Waste collection, management and education           | Tree maintenance and planting                                 |
| Goal 3: Dynamic & Prosperous Places               |                                                      |                                                               |
| Theme 3.1 Placemaking                             | Theme 3.2 City Vibrancy                              | Theme 3.3 Partnerships                                        |
| Planning and development                          | Events                                               | Grants programs                                               |
| Precinct / key site master planning               | Local history                                        | Capacity building and community connections                   |
|                                                   |                                                      | Volunteer management                                          |
| Goal 4: Excellence in Leadership                  |                                                      |                                                               |
| Theme 4.1 Good Governance                         | Theme 4.2 Organisational Improvement                 | Theme 4.3 Community Experience                                |
| Corporate reporting and financial management      | Efficiency and effectiveness                         | Communications and marketing                                  |
| Asset management and planning                     | ICT management and development                       | Information management                                        |
| Community engagement                              | Service reviews                                      |                                                               |
| Governance and Council support                    | Workforce planning                                   |                                                               |
| Strategic planning                                |                                                      |                                                               |
| Risk and emergency management                     |                                                      |                                                               |

### Areas of Measurement

Community Insights (high level indicators) are included in the Four Year Delivery Plan and enable ongoing monitoring and review of Council's progress and effectiveness towards achieving its goals and outcomes. Community perception research periodically provides Council with information about how the community perceive progress in these areas. The community insights are listed in the following table against Mitcham 2030 goals and theme and are supported by other measures and data sources as necessary. Council's Performance Reports are available at [www.mitchamcouncil.sa.gov.au](http://www.mitchamcouncil.sa.gov.au) and provide detailed measures.

| Goal 1: Accessible, Healthy & Connected Community                                                   | Goal 2: Sustainable City                                            | Goal 3: Dynamic & Prosperous Places      | Goal 4: Excellence in Leadership             |
|-----------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|------------------------------------------|----------------------------------------------|
| Pride                                                                                               | Valuing the Natural Environment                                     | City Vibrancy                            | Trusted Council                              |
| Support                                                                                             | Theme 2.1 Climate Change Mitigation & Resilience                    | Theme 3.1 Placemaking                    | Theme 4.1 Good Governance                    |
| Theme 1.1 Transport Network                                                                         | Response to Climate Change                                          | Attractive Local Area                    | Council Decisions reflect Community Feedback |
| Connected Paths                                                                                     | Steps to Limit Impacts of Emergency Events                          | Public Places free of Graffiti & Rubbish | Council Decisions based on Evidence          |
| Safety when Travelling                                                                              | Theme 2.2 Sustainable Resources                                     | Well Maintained & Appealing Streets      | Theme 4.2 Organisational Improvement         |
| Ease of Travel                                                                                      | Use of Alternative Materials to lower impact on Natural Environment | Theme 3.2 City Vibrancy                  | Access to Information & Services             |
| Theme 1.2 Health & Wellbeing                                                                        | Waste                                                               | Events                                   | Value for Money Services                     |
| Safety in the Community                                                                             | Theme 2.3 Natural Environment                                       | Use of Public Places                     | New ways of doing things                     |
| Involvement in Sport, Activities & Programs                                                         | Protection of Natural Environment                                   | Creativity and the Arts                  | Theme 4.3 Community Experience               |
| Volunteer Participation                                                                             |                                                                     | Theme 3.3 Partnerships                   | Consistent Communication                     |
| Theme 1.3 Services & Facilities                                                                     |                                                                     | Thriving Local Businesses                | Consistent Response to Service Requests      |
| Amenities in Public Places (libraries, community centres, sports facilities, playgrounds, reserves) |                                                                     | Employment Opportunities                 |                                              |
| Enjoyment using Public Places                                                                       |                                                                     |                                          |                                              |
| Information to make Connections                                                                     |                                                                     |                                          |                                              |



## Our 2026/27 Annual Business Plan & Budget

The 2026/27 Annual Business Plan and Budget projects an underlying operating surplus of \$1.4 million.

Council is budgeting \$94.9 million in operating expenditure to continue existing services and invest in new service provision as well as investing \$35.2 million on asset replacement and creation, continuing the delivery of services to the community and providing new projects and services aligned to *Mitcham 2030*.

The major income source required to deliver the operations of the Annual Business Plan is rate revenue. Rates make up \$79.9 million<sup>1</sup> or 85.7% of Council's total budgeted income for 2026/27.

A financial overview is provided below:

- \$94.9 million Operating Expenditure
- \$93.2 million Operating Income
- \$35.2 million Capital Expenditure
- \$1.4 million Underlying operating surplus (excluding subsidiaries and one-off items)

---

<sup>1</sup> Excluding the Landscape Levy collected on behalf of the State Government

### Council's Expenditure in 2026/27

#### Services to the Community

##### Existing Commitments (previous service decisions of Council 2025/26)

Council has made decisions throughout the 2025/26 financial year that require funding as part of the budget. These include:

- Civic Centre EV Fast Chargers
- Cross Road/Frome Reserve right of way
- Electric Community Bus
- Hampton Street Bridge Replacement
- Electronic Key Management System
- Kerbside Waste Collection Services Policy Endorsement and Circular
- Kingswood Tennis Club – Club upgrade
- Library & Community Centre Safety Resourcing
- Magdalene Terrace, Pasadena
- Mobile Phone Tower lost income
- Nieass Reserve – Tennis Courts
- Ongoing Site Management for Contaminated Land at 91 Quinton Court, Pasadena
- Reade Park Reserve – Tennis Courts
- TechnologyOne Property and Rating CiA Upgrade
- Upgrade of Main Switch Board at Civic Centre
- Verge Greening Initiative
- Waite Street Reserve – Water Feature

#### New and Improved Services

The following services comprise new or enhanced services being introduced in 2026/27, along with their ongoing operating costs each year. In some instances, these services involve the construction of new assets (one-time capital), leading to ongoing operating expenses such as maintenance, depreciation and interest expenses (or foregone interest income).

The total ongoing rate-funded expenditure for the new and improved services in 2026/27 is \$514,000<sup>2</sup>, with an associated one-off \$1.0m capital investment. These new and improved services are as follows:

- Affordable Household Energy
- Dedicated Long-Term Financial Planning Software
- Increasing Library Operating Hours
- Local Area Traffic Management – Cumberland Park, Daw Park and Colonel Light Gardens (West)
- Provision for Minor New Capital Requests in Open Spaces
- Responding to Climate Risks
- Upgrading the Stormwater Network to Reduce Flooding
- Water Sensitive Urban Design (WSUD) Implementation

---

<sup>2</sup> Includes estimated ongoing operating expenses in the form of maintenance and average cost of capital (interest and debt repayment over defined timeframe).

### Ongoing Services

Council has budgeted \$94.9 million for services provided on an ongoing basis (including the State Government Landscape Levy).

### Our Commitment to Improving Community Assets

Council is committed to maintaining and improving fit for purpose assets which meet the needs of the community today and into the future. Council's Asset Management Plans set out the strategies for achieving this.

### New Asset Program

New capital expenditure is one-off expenditure that creates a new asset. These assets incur ongoing costs, such as interest, maintenance and depreciation, which have been built into the budget. These include the new services and projects where there is capital expenditure.

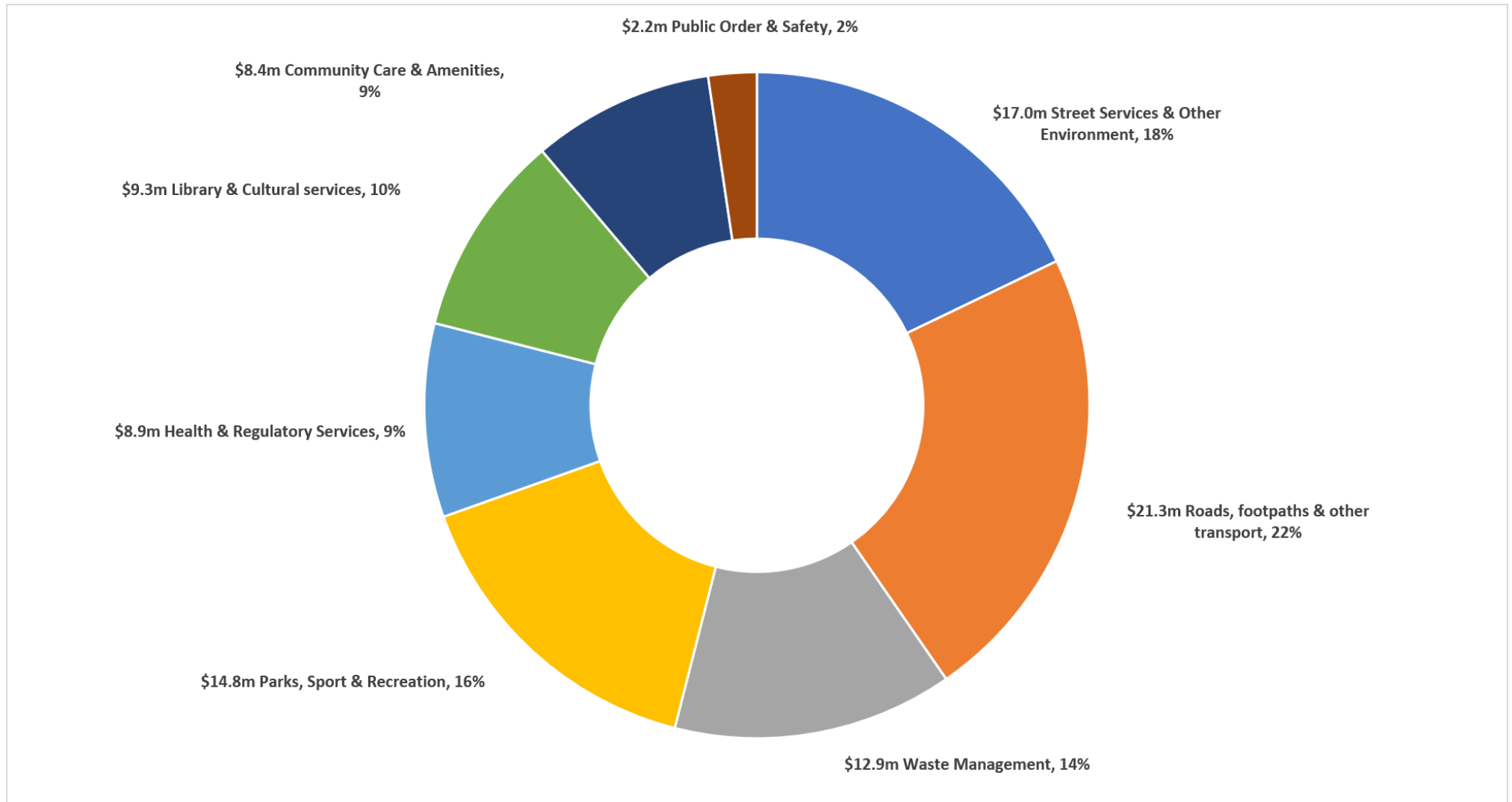
### Asset Replacement Program

Capital replacement is one-off expenditure to renew an existing Council asset. Even though all assets incur ongoing costs, such as maintenance and depreciation, capital replacement expenditure does not increase Council's ongoing costs as maintenance and depreciation is already built into the budget. Council has endorsed an asset replacement program to the value of \$27.8 million (including \$9.8 million re-budgeted from 2025/26).

A summary of capital works expenditure by asset category is provided adjacent. Details of the full capital works program for all assets can be found in Appendix 2.

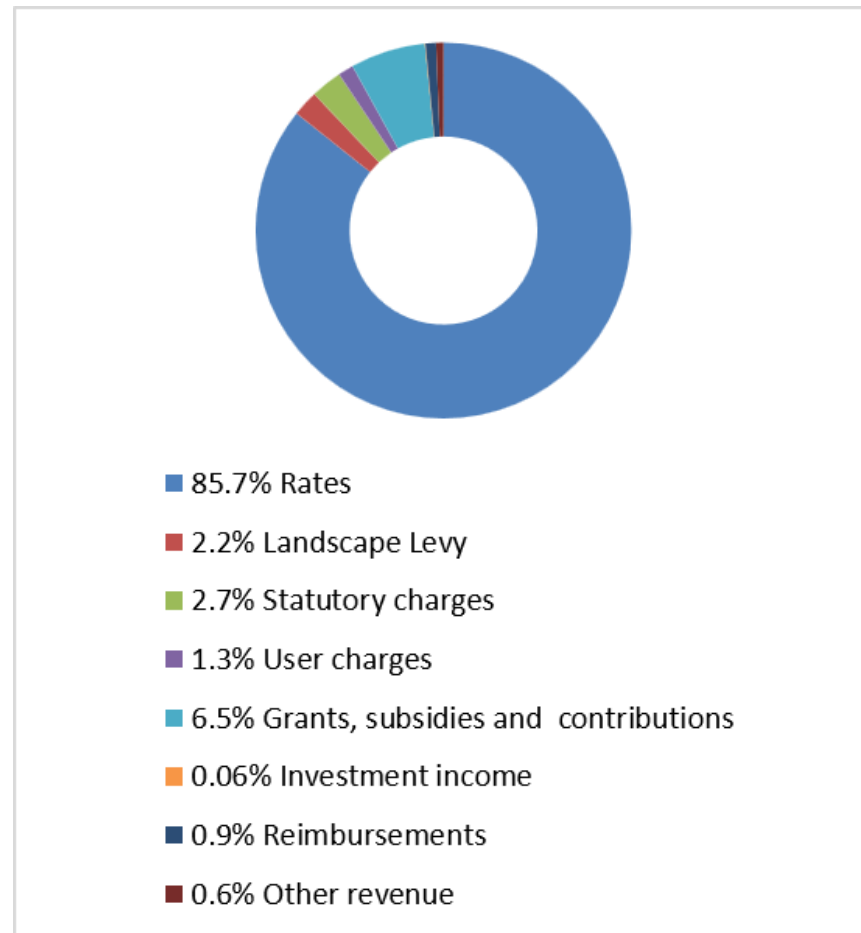
| Asset Category                                           | Renewal (\$m) | New (\$m)   | Total (\$m)  |
|----------------------------------------------------------|---------------|-------------|--------------|
| Bridges                                                  | 0.00          | 0.30        | 0.30         |
| Bus Shelters                                             | 0.03          | -           | 0.03         |
| Car Parks                                                | 0.27          | -           | 0.27         |
| Buildings & Land                                         | 5.22          | 1.27        | 6.50         |
| Footpath                                                 | 1.97          | 0.18        | 2.15         |
| IT Equipment                                             | 0.82          | 0.08        | 0.90         |
| Office Furniture & Equipment                             | 0.15          | -           | 0.15         |
| Open Space (incl. parks, gardens, playgrounds, lighting) | 2.00          | 0.35        | 2.35         |
| Plant & Equipment (incl Fleet)                           | 2.98          | 0.31        | 3.29         |
| Retaining Walls                                          | 0.03          | -           | 0.03         |
| Roads                                                    | 13.55         | 1.69        | 15.23        |
| Stormwater & Drainage (incl Brownhill & Keswick Creeks)  | 0.75          | 3.14        | 3.89         |
| Solar Projects                                           | -             | 0.13        | 0.13         |
| <b>TOTAL</b>                                             | <b>27.75</b>  | <b>7.44</b> | <b>35.19</b> |

Indicative Expenditure Budget Allocations



## Council's Income in 2026/27

### Budgeted 2026/27 Operating Income



### Rates set by Council (85.7% of Total Operating Income)

These rates are explained further below.

### Statutory Charges set by the State Government (2.7% of Total Operating Income)

These are fees and charges set by regulation and collected by the Council for regulatory functions such as, assessment of development applications, dog registrations and parking fines.

### User Pay Charges set by Council (1.3% of Total Operating Income)

These are composed of charges for the Council's fee based facilities such as, hire of sporting and community venues.

### Grants and Subsidies (6.5% of Total Operating Income)

The Council normally seeks to attract as much grant funding as possible from other levels of government and major projects of wider State benefit are usually jointly funded in partnership with the State Government and other relevant parties.

### Investment Income (0.06% of Total Operating Income)

Investment income is the interest that Council receives on surplus funds held on deposit with the bank. Council seeks to maximise the balance between surplus cash and borrowings, to minimise net interest expenses wherever possible.

### Reimbursements and Other Income (1.5% of Total Operating Income)

Reimbursements and other income are generally one-off payments or donations received usually to offset or reimburse Council for expenditure incurred.

### State Government Landscape Levy (2.2% of Total Operating Income)

The City of Mitcham is part of the Green Adelaide Landscape Management Region and is required under the Landscape South Australia Act 2019 to raise a defined amount of revenue on behalf of the State Government to fund the State Government's operations of the Green Adelaide Board.

### Additional Sources of Income

Capital Income (Grants, Sale of Assets, Contributions), made up of grants received from State and Federal Governments to fund specific projects. Proceeds can also be received from the sale of assets.



Gaelic Football at St Marys

### Council's Rates in 2026/27

#### What rates will I pay?

In formulating the planned rates for the financial year, Council takes into consideration the economic environment, the supply of rate contributions by various classifications of ratepayers and all sources of revenue required to fund the delivery of services and projects set out in the Annual Business Plan.

In order to sustainably fund the activities in this business plan the total amount of rate revenue to be raised for 2026/27 is an average rate increase of \$151 (6.38%) for residential and \$369 (6.38%) for commercial ratepayers.

Council's Rating Policy for 2026/27 is included in Appendix 3.

#### How are properties valued?

Property values are determined by the Valuer-General, who calculates and provides this information to Council. In setting rates each year, Council determines the total rate revenue required then divides this by the sum of all property values (provided by the Valuer-General) in the Council area. The number arrived at is called the 'rate in the dollar' (RID). The value of each rateable property is then multiplied by the 'rate in the dollar' to produce the rates bill for the property. Each year Council resets the 'rate in the dollar' to ensure only the required rate income is raised. The total rates payable by the community will equal the amount required as part of the budget process regardless of movements in overall property valuations.

The way in which the 'rate in the dollar' is calculated allows it to react to changes in property values. When the total value of all properties within a council increases more than the amount of rate revenue required, the rate in the dollar will decrease. Alternatively, when the total value of all properties decreases or

increases less than the amount of rate revenue required, the 'rate in the dollar' will increase. This change to the 'rate in the dollar' ensures that only the required amount of rate revenue is raised in total, regardless of valuation movements. In summary:

- Total valuation drives the RID needed to raise the required rate revenue in total.
- Individual valuations relative to each other in the City determine the portion of the total required rate revenue paid by each property.
- Valuations do not influence the total rate revenue received.

#### Rating Structure

Council's Rating Structure is developed in accordance with the requirements of the Act. Additionally, in determining this structure, the Council takes into account Council's Strategic Management Plans, Annual Business Plan and Long-Term Financial Plans, including:

- The competing demands of community priorities identified through the consultation process.
- Its role as custodian of significant community assets held and managed on behalf of the local community and future generations.
- The need for significant capital works to replace and upgrade infrastructure assets.
- The obligation to operate as effectively and efficiently as possible.
- The need to reassess the use and viability of community facilities.
- The impact of rates on all sectors of the community (householders and businesses) based on factors, such as the broad principle that the rate in the dollar should be

the same for all properties, except where there is either a different level of services available to ratepayers, or some other circumstance exists which warrants variation from the broad principle. Council has addressed this through the application of differential rates on commercial, industrial and vacant land properties – refer to the section entitled “Differential Rates”.

### Reasons for Valuation Method and Equity

The Council uses capital value as the basis for valuing land within the Council area. The Council considers that this method of valuing land provides the fairest method of distributing the rate burden across all ratepayers, for the following reasons:

- The equity principle of taxation requires that ratepayers of similar wealth pay similar taxes and ratepayers of greater wealth pay more tax than ratepayers of lesser wealth.
- Property value is a relatively good indicator of wealth and capital value, which closely approximates the market value of a property and provides the best indicator of overall property value.
- The distribution of property values throughout the Council area is such that few residential ratepayers will pay an increase significantly greater than the increase in average rates.

### Impact of Rates Structure

Council considers the impact of rates on all businesses in the Council area. In doing so, Council considers and assesses the following matters:

- The demand made on Council services by commercial and industrial users as a proportion of rate revenue.

- Council’s Strategic Management Plan and those priorities relating to business development mentioned above.
- Specific Council projects for the coming year that will solely or principally benefit businesses.
- Preference for local suppliers where price, quality and service provision are comparable to suppliers outside the Council area.
- Current local, state and national economic conditions and expected changes during the next financial year.
- Changes in the valuation of commercial and industrial properties in comparison to residential properties.

### Differential Rates

The Local Government Act 1999 allows the Council to ‘differentiate’ rates based on the use of land, the locality of land, the use and locality of the land combined or on some other basis determined by Council. The City of Mitcham applies different rates on the basis of land use.

Differentiation assists in ensuring that the after tax cost of rates for businesses is fair and equitable in comparison with residential ratepayers. Additionally, in the City of Mitcham, where there are commercial and business areas, businesses contribute to the early deterioration of Council infrastructure and the environment, which requires additional resource allocation by Council to address.

### Rate Capping

Council has a rate capping scheme available to all ratepayers, subject to eligibility criteria. This is designed to assist ratepayers who would otherwise have incurred a rate increase greater than 12.5%. For details of eligibility call 1300 133 466 or visit [www.mitchamcouncil.sa.gov.au](http://www.mitchamcouncil.sa.gov.au).

### Rebates

Council is required to provide mandatory rebates under Sections 160 to 165 of the Local Government Act 1999 in relation to properties:

- Primarily used for service delivery or administration by a hospital or health centre (Section 160).
- Primarily used for service delivery or administration by a community service organisation (Section 161).
- Containing a church or other building used for public worship or used solely for religious purposes (Section 162).
- Being used for the purpose of a public cemetery (Section 163).
- Occupied by a government school under a lease or licence or a non-government school being used for educational purposes (Section 165).

### Residential Construction Rebate (Discretionary Rebate)

Further, we may provide discretionary rebates under Section 166. One of these is for the purpose of securing the proper development of the area. A discretionary rebate of general rates for the 2026/27 financial year will be granted in respect of an Assessment classed as vacant land where the:

- Principal Ratepayer of the Assessment applies to the Council, in writing, for the rebate prior to 30 June 2027.
- Foundations or slab have been laid on the property by 30 June 2027; proof of the date the footings were laid must accompany the application.
- Land which has been subdivided in the current financial year will not be eligible for the rebate.
- Principal Ratepayer has confirmed, in writing, that the property will be their principal place of residence upon completion.

The amount of the rebate will be based on:

- The difference between the general rate in the dollar applicable to Vacant Land and the general rate in the dollar applicable to Residential Land; and
- The number of days remaining between 1 July 2026 and 30 June 2027 from the date footings are poured for a residence on the land. The rebate will not fall below the Minimum Rate.

### Vacant Land Rebate (Discretionary Rebate)

Council has agreed to apply a rebate on Vacant Land, where the land use has changed from Residential land use to Vacant Land in any given financial year. The rebate will apply within the first 12 months to the residential rate in the dollar adopted for properties that become vacant land and will be applied either by Council of its own initiative, where the Council is in possession of sufficient information to determine entitlement to the rebate, or otherwise on application to Council.

Under Section 166 (1) (a) of the Act and for the purpose of securing the proper development of the area, a discretionary rebate of general rates for the 2026/27 financial year will be granted in respect of an Assessment attributed as vacant land where:

- The Land Use is noted as Residential or Primary Production by the Valuer-General in the current year following a subdivision/development and the Council attributed the land use as Residential or Primary Production.
- The actual use of the land has changed to Vacant Land, and the Valuer-General has determined a Vacant Land use code to the land in the following year and the Council has also attributed a rate in the dollar for Vacant Land.

## 2026/27 Annual Business Plan, Budget & Long-Term Financial Plan

- The principal ratepayer applies in writing prior to 31 December 2026 for a rebate for the current year, confirming that the property will be their principal place of residence on completion of any development. The Council may consider any application received after 31 December 2026 for the 2026/27 financial year, solely at its discretion.
- The rebate will only apply for a maximum period of 12 months in the same financial year.
- The property will be re-assessed the following financial year - If the use of the land is still classified as Vacant Land by the Valuer-General and the Council also attributes this land use, then the rate in the dollar for Vacant Land will apply.
- Refer to the Residential Construction Rebate beyond the first 12 months.

### Remission of Rates

Council, on the written application of a ratepayer, may partially or wholly remit rates or postpone rates on the basis of hardship.

### Minimum Rates

Council has fixed a minimum amount payable by way of the general rates of \$1,536.



Greek cooking class at Pasadena Community Centre

### Amendments from the Draft Annual Business Plan

This Annual Business Plan includes a number of amendments from the draft plan that was released for consultation on 18 April 2026, as detailed below.

- The draft Plan presented two options for community consideration: a 5.59% rate increase, and a 6.65% rate increase which included several additional services and projects. Following community consultation, the Annual Business Plan has a 6.38% rate increase, it does not include the Carbon Emissions Reduction, Towards Zero Emission Fleet, or Increasing Sporting Club Building maintenance.
- Recent Council decisions with financial implications.
- Ongoing refinement of key indexation assumptions, including interest rates and CPI. CPI rose from a predicted 4.1% to 4.9% in March 2026. Council, however, has managed to keep the cost of existing services to 4.3%.
- Forecast end-of-year financial position for 2025/26, as outlined in Budget Review Three adopted on 12 May 2026.
- Rescheduling and retiming of capital expenditure. This has increased the previously consulted peak Net Financial Liabilities projection from 73% to 74%.
- Updates to subsidiary operating budgets.

### Our Long-Term Financial Plan

The Long-Term Financial Plan is an important part of Council's budgeting and financial management framework as it helps Council to ensure long-term financial sustainability while addressing the needs and expectations of the community reflected in the strategic management plans. It sets the high-level financial parameters that guide the development and refinement of Council's budgeted plans, strategies and actions and generates information that assists decisions about the mix, timing and affordability of future outlays on operating activities, renewal and replacement of existing assets and funding of additional assets and services.

As part of the 2026/27 budget deliberations a number of strategic aspects were considered including:

- service levels
- cost drivers
- cost shifting; budget pressures
- new recurrent expenditure (new services / new capital)
- operating projects (one-off expenditure)
- addressing capital backlog
- debt levels
- rate levels
- strategic priorities (Mitcham 2030)
- economic environment
- financial ratios and forward projections.

The 2026/27 Long-Term Financial Plan is based on the following principles:

- Maintaining existing service levels equal to or below CPI whilst continuing to drive efficiencies and financial savings.
- Improving service levels and closing service gaps within financial capacity.
- Monitoring and measurement of cash from operations in determining a balanced budget position, ensuring that Council is funding its asset renewals over the 10 year Long-Term

Financial Plan and repaying debt over a considered timeframe taking into account the balance between funding costs and intergenerational equity.

- Budgeting of ongoing costs associated with new capital in the year they are included rather than in the following year when maintenance costs and depreciation commence, thus avoiding pre-commitment of rate increases in the following year.
- Maintaining rates at a comparable and sustainable level whilst funding services and debt repayment sustainably in line with Council's considered position on intergenerational equity.

With these principles in mind, this Long-Term Financial Plan is based on the following:

- 6.38% Rate Increase for 2026/27, on average
- generation of sufficient cash from operations to fund Asset Renewal over the life of the 10-year plan
- an annual provision of \$329,000 to fund one-off operating projects.
- new and improved services totalling \$514,000 per annum (with an associated one-off \$1.0m capital investment).
- capital replacement program of \$27.8 million for 2026/27 in line with Council's Asset Management Plans and schedules (and including \$9.8 million re-budgeted from 2025/26).
- new capital expenditure of \$7.4 million for 2026/27 (including \$5.5 million re-budgeted from 2025/26).
- a projected underlying operating surplus for 2026/27 of \$1.4 million (excluding non-cash gains / losses from subsidiaries and one-off income and expenditure).
- a ten-year average net financial liabilities ratio of 68%, reaching a peak of 74% in 2026/27.

The following tables are a summary of some items of key financial data used for the purposes of modelling. It is the result of the application of all the assumptions within the Long-Term Financial Plan, using the current financial position and budget as the base. As part of Council's responsible approach to financial sustainability,

## 2026/27 Annual Business Plan, Budget & Long-Term Financial Plan

non-cash gains and losses from Council subsidiaries and one-off items are not included when using Council's operating result for modelling and ratio calculation purposes. The reason for not including non-cash items is that if they were included when determining if Council has a balanced budget, Council would actually need to borrow funds (either as borrowings or as reductions in surplus cash) equivalent to those non-cash gains in order to fund operating expenses, creating a false sense of sustainability. Borrowing to fund operating expenses is not sustainable and, therefore, this financial discipline being employed by Council is a key element to ensuring financial sustainability in the future from Council operations. Further, by not including one-off items Council is ensuring that it is focusing on the underlying long-term financial position of Council providing additional robustness to Council's measure of long-term financial sustainability.



100-year-old sugar gum on the corner of Main Road and East Terrace in Hawthorndene crowned Tree of the Month

## 2026/27 Annual Business Plan, Budget & Long-Term Financial Plan

| FINANCIAL PLAN SUMMARY                                                                              | 2026/27<br>Year 1<br>Plan<br>\$'000 | 2027/28<br>Year 2<br>Plan<br>\$'000 | 2028/29<br>Year 3<br>Plan<br>\$'000 | 2029/30<br>Year 4<br>Plan<br>\$'000 | 2030/31<br>Year 5<br>Plan<br>\$'000 | 2031/32<br>Year 6<br>Plan<br>\$'000 | 2032/33<br>Year 7<br>Plan<br>\$'000 | 2033/34<br>Year 8<br>Plan<br>\$'000 | 2034/35<br>Year 9<br>Plan<br>\$'000 | 2035/36<br>Year 10<br>Plan<br>\$'000 |
|-----------------------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|--------------------------------------|
| <b>Operating Income</b><br>Including non cash gains on Subsidiaries                                 | <b>93,213</b><br>-                  | <b>97,700</b><br>-                  | <b>101,533</b><br>62                | <b>104,916</b><br>119               | <b>107,756</b><br>113               | <b>110,640</b><br>49                | <b>114,628</b><br>267               | <b>118,854</b><br>236               | <b>122,891</b><br>240               | <b>127,065</b><br>297                |
| <b>Operating Expenses</b><br>Including non cash losses on Subsidiaries                              | <b>94,893</b><br>61                 | <b>99,151</b><br>25                 | <b>99,184</b><br>-                  | <b>101,609</b><br>-                 | <b>104,768</b><br>-                 | <b>106,602</b><br>-                 | <b>109,899</b><br>-                 | <b>113,362</b><br>-                 | <b>117,701</b><br>-                 | <b>120,515</b><br>-                  |
| <b>Operating Result</b>                                                                             | <b>(1,680)</b>                      | <b>(1,451)</b>                      | <b>2,349</b>                        | <b>3,307</b>                        | <b>2,988</b>                        | <b>4,038</b>                        | <b>4,729</b>                        | <b>5,492</b>                        | <b>5,190</b>                        | <b>6,550</b>                         |
| Electoral Commission - 4 year fee                                                                   | 419                                 |                                     |                                     |                                     | 540                                 |                                     |                                     |                                     | 595                                 |                                      |
| Additional Roads to Recovery Grant funding                                                          | (689)                               | (766)                               | (766)                               | -                                   |                                     |                                     |                                     |                                     |                                     |                                      |
| Financial Assistance Supplementary Road Funding                                                     | (371)                               |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                      |
| Periodic Condition Assessment                                                                       | 175                                 | 125                                 | (25)                                | (5)                                 | 125                                 | 100                                 |                                     |                                     |                                     |                                      |
| Pasadena Smart Stormwater Operating Contribution                                                    | 50                                  |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                      |
| Essential Services Commission of SA Advice                                                          |                                     | 40                                  |                                     |                                     |                                     | 40                                  |                                     |                                     |                                     |                                      |
| Technology One - Property & Rating Upgrade                                                          | 2,900                               | 3,841                               | 972                                 |                                     |                                     |                                     |                                     |                                     |                                     |                                      |
| Budget Review 3 Rebudgets                                                                           | 435                                 |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                      |
| City of Mitcham 175th Anniversary Publication Project                                               | 93                                  | 80                                  |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                      |
| Land & Building Revaluation                                                                         |                                     | 60                                  |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                      |
| <b>One off items</b>                                                                                | <b>3,012</b>                        | <b>3,380</b>                        | <b>181</b>                          | <b>(5)</b>                          | <b>665</b>                          | <b>140</b>                          | <b>-</b>                            | <b>-</b>                            | <b>595</b>                          | <b>-</b>                             |
|                                                                                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                      |
| <b>Operating Result (excluding non cash gains/losses from subsidiaries and other one off items)</b> | <b>1,393</b>                        | <b>1,954</b>                        | <b>2,468</b>                        | <b>3,183</b>                        | <b>3,540</b>                        | <b>4,129</b>                        | <b>4,462</b>                        | <b>5,256</b>                        | <b>5,545</b>                        | <b>6,253</b>                         |
| <b>Net Financial Liabilities</b>                                                                    | <b>68,749</b>                       | <b>72,009</b>                       | <b>74,226</b>                       | <b>76,574</b>                       | <b>78,036</b>                       | <b>79,239</b>                       | <b>75,132</b>                       | <b>75,976</b>                       | <b>71,514</b>                       | <b>65,604</b>                        |

## 2026/27 Annual Business Plan, Budget & Long-Term Financial Plan Operating Result (Headline)

This is the operating result as reported in Council's end of year financial statements in accordance with accounting standards. It reflects whether in each year income was enough to cover expenses, including depreciation, one-off items and non-cash items from subsidiaries. Whilst this result is necessary to report and forms part of Council's annual financial statements, it is not that useful for measuring Council's underlying operating result from operations and, therefore, financial sustainability.

## Underlying Operating Result (Excluding future Subsidiaries and Other One-off Items)

This is the operating result from direct Council operations only without the non-cash impacts of operating results of Council's subsidiaries, such as Centennial Park Cemetery Authority and East Waste Management Authority and without any significant one-off items. It is important to focus on this result because it represents a better view of the ongoing funding requirements of Council operations. If Council balances its budget, including these non-cash or one-off items it can give a false impression of financial sustainability.

## Borrowings

The Long-Term Financial Plan shows the net financial liabilities ratio peaking in Year 1 at 74% of forecast operating income, with a ten-year average of 68%. This level of net financial liabilities is primarily driven by investment in key new infrastructure. Even with this strategic investment, Council is forecast to remain below its self-imposed upper target of 80% for the net financial liabilities ratio.



Pump Track at CC Hood Reserve, Panorama

## 2026/27 Annual Business Plan, Budget & Long-Term Financial Plan

### How does this plan compare to the 2025/26 plan?

A broad comparison of this Long-Term Financial Plan with the 2025/26 projections included in the previous Long-Term Financial Plan highlights a number of key changes. The main differences between the draft budget and the equivalent period in the previous plan are summarised in the adjacent table.

The increase in rates revenue is primarily driven by additional new services introduced by Council during 2025/26, further new services, and cost shifting. Council has adopted an average general rate increase of 6.38% for 2026/27, compared with the 3.66% increase projected for that year in the previous Long-Term Financial Plan. These additional revenues are largely offset by increased employee costs and materials, contracts and other expenses.

The decrease in the State Government Landscape Levy reflects advice received from the State Government that the levy will be lower than previously forecast. This is offset by a corresponding reduction in expenditure.

Other income categories have also been reviewed and updated to reflect CPI increases. Reimbursements have increased due to additional revenue associated with the Green Energy Plan, offset by a corresponding increase in materials, contracts and other expenses. Statutory charges have increased due to the ePlanning Levy being higher than previously forecast, with this also offset by an increase in materials, contracts and other expenses.

The gain from joint ventures and associates has now become a loss due to a forecast loss being recognised from the Centennial Park Cemetery Authority Long-Term Plan and East Waste Long-Term Plan.

Employee costs have increased due to higher forecast inflation. While the previous plan assumed CPI of 2.7%, the current plan reflects the capped 4.0% salary increase under the current

Enterprise Bargaining Agreement, following an increase in CPI to 4.9%.

Materials, contracts and other expenses have increased due to the forecast recurrent Local Government Price Index rising from 3.0% to 5.2%, including fuel and other cost pressures, the introduction of additional new services, Council decisions made during the 2025/26 financial year, and cost shifting above the assumptions included in the previous plan. The previous Long-Term Financial Plan included a preliminary placeholder allowance for the TechnologyOne Property and Rating CiA project. The revised forecast reflects more detailed project scoping and cost estimation now completed.

The increase in capital new and renewal expenditure reflects rebudgeting of projects from 2025/26 into 2026/27.

|                                           | Previous Plan<br>2026/27<br>\$'000 | This Plan<br>2026/27<br>\$'000 | Variation<br>\$'000 |
|-------------------------------------------|------------------------------------|--------------------------------|---------------------|
| Rates                                     | 77,611                             | 79,894                         | 2,283               |
| State Government Landscape Levy           | 2,185                              | 2,078                          | (107)               |
| Statutory Charges                         | 2,375                              | 2,495                          | 120                 |
| User Charges                              | 1,249                              | 1,246                          | (3)                 |
| Grants, subsidies, contributions          | 5,801                              | 6,015                          | 214                 |
| Investment Income                         | 103                                | 58                             | (45)                |
| Reimbursements                            | 162                                | 836                            | 674                 |
| Other Income                              | 578                                | 591                            | 13                  |
| Gain - Joint ventures & associates        | 5                                  | -                              | (5)                 |
| <b>Operating Income</b>                   | <b>90,069</b>                      | <b>93,213</b>                  | <b>3,144</b>        |
| Employee costs                            | 34,400                             | 36,515                         | 2,115               |
| Materials, contracts & other expenses     | 29,533                             | 32,582                         | 3,049               |
| State Government Landscape Levy           | 2,185                              | 2,078                          | (107)               |
| Finance costs                             | 2,582                              | 2,576                          | (6)                 |
| Depreciation and Amortisation             | 20,717                             | 21,081                         | 364                 |
| Loss - Joint ventures & associates        | -                                  | 61                             | 61                  |
| <b>Operating Expense</b>                  | <b>89,417</b>                      | <b>94,893</b>                  | <b>5,476</b>        |
| <b>Operating Result Surplus/(Deficit)</b> | <b>652</b>                         | <b>(1,680)</b>                 | <b>(2,332)</b>      |
| Renewal Capital Expenditure               | 20,186                             | 27,755                         | 7,569               |
| New Capital Expenditure                   | 5,642                              | 7,437                          | 1,795               |
| Net Financial Liabilities                 | 69,351                             | 68,749                         | (602)               |

## 2026/27 Annual Business Plan, Budget & Long-Term Financial Plan

### External and Internal Influences

This Long-Term Financial Plan generates information which is used to guide decisions about Council operations into the future. However, as with any long-term plan, the accuracy of this Long-Term Financial Plan is subject to many inherent influences.

In order to minimise the inherent risks of long-term financial planning, Council reviews and updates its Long-Term Financial Plan on a regular basis. Further to this, where possible, the assumptions within the Long-Term Financial Plan are based on published Australian Bureau of Statistics data or other independent data sources. The assumptions are also subject to review and comment by Council's Audit and Risk Committee.

### Key Economic Assumptions

It is important that Council's Long-Term Financial Plan reflects the most recent economic data and forecasts available as Year 1 of the Long-Term Financial Plan forms the basis for developing Council's Annual Business Plan and Budget. A review is conducted each year to ensure that the underlying parameters and assumptions are reasonable given the current economic conditions and expectations.

The Consumer Price Index (CPI) for the March quarter drives non-rates income, while the recurrent Local Government Price Index (LGPI), which drives expenditure on contractual services. The CPI is widely recognised as a crucial indicator of household expenditure inflation, offering a comprehensive assessment of price inflation for consumer purchases. However, the Local Government Price Index (LGPI) is deemed more appropriate for measuring inflation within Local Government sector services. Short- to medium-term projections are based on forecasts from the South Australian Centre for Economic Studies.

The loan interest rates are based on Local Government Financing Authority (LGFA) lending rates for Year 1. Years 2 -10, the Long-Term Financial Plan has been forecast using Deloitte Access Economics data. However, regular review of this Plan will ensure that the economic assumptions are reflective of the current market.

Administration undertakes a review of the parameters and assumptions underpinning the Long-Term Financial Plan on an annual basis to ensure that the most appropriate forecast economic indicators are used.

## 2026/27 Annual Business Plan, Budget & Long-Term Financial Plan

| Economic Indicator / Assumption                                                             | Drives                                                                                                   | 2026/27<br>Year 1 | 2027/28<br>Year 2 | 2028/29<br>Year 3 | 2029/30<br>Year 4 | 2030/31 to<br>2035/36<br>Year 5 to 10 |
|---------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|-------------------|-------------------|-------------------|-------------------|---------------------------------------|
| <b>Revenue</b>                                                                              |                                                                                                          |                   |                   |                   |                   |                                       |
| Residential / Other Rate Increase / Commercial / Industrial / Vacant Land Rate Increase     | Rates required for existing services (excluding growth)                                                  | 4.30%             | 4.00%             | 3.00%             | 3.00%             | Between 2.00% - 3.00%                 |
| Residential / Other Rate Increase / Commercial / Industrial / Vacant Land Rate Increase     | Potential additional Rates required for new services, multi-year commitments and prior Council decisions | 1.99%             | 1.51%             | 0.87%             | 1.08%             | Between 0.22% - 0.64%                 |
| Residential / Other Rate Increase / Commercial / Industrial / Vacant Land Rate Increase     | Cost Shifting                                                                                            | 0.09%             | 0.00%             | 0.00%             | 0.00%             | 0.00%                                 |
| Residential / Other Rate Increase / Commercial / Industrial / Vacant Land Rate Increase     | Rates from additional properties (growth)                                                                | 0.44%             | 0.18%             | 0.18%             | 0.18%             | Between 0.18% - 0.18%                 |
| Consumer Price Index (Year 1 March 2026)                                                    | Statutory Charges, Grants and Subsidiaries, Reimbursements, User Charges, Other Revenue                  | 4.90%             | 4.00%             | 3.00%             | 3.00%             | Between 2.00% - 3.00%                 |
| Local Government Price Index (Weighted Total)                                               |                                                                                                          | 4.60%             | 4.00%             | 3.00%             | 3.00%             | Between 2.10% - 3.10%                 |
| Investment Interest Rate                                                                    | Investment Income                                                                                        | 4.40%             | 4.80%             | 3.80%             | 3.30%             | 3.20%                                 |
| <b>Expenditure</b>                                                                          |                                                                                                          |                   |                   |                   |                   |                                       |
| Local Government Price Index (Recurrent)<br>(Year 1 includes fuel and other cost pressures) | Contractual Services, Materials, Other Expenses                                                          | 5.17%             | 4.20%             | 3.00%             | 3.00%             | Between 2.00% - 3.00%                 |
| Local Government Price Index (Capital)                                                      | Capital Expenditure Indexation, Depreciation, Asset Revaluations                                         | 3.30%             | 3.50%             | 3.00%             | 3.00%             | Between 2.20% - 3.20%                 |
| Enterprise Bargaining Agreement & Consumer Price Index<br>(EBA Year 1, CPI Year 2-10)       | Employee Costs                                                                                           | 4.00%             | 4.00%             | 3.00%             | 3.00%             | Between 2.00% - 3.00%                 |
| Loan Interest Rate – Fixed Term                                                             | Long Term Loan Interest Expenses                                                                         | 6.43%             | 6.00%             | 5.20%             | 4.70%             | 4.60%                                 |

## 2026/27 Annual Business Plan, Budget & Long-Term Financial Plan

| Rates Required For Existing Services Assumptions           | 2026/27<br>Year 1<br>Plan | 2027/28<br>Year 2<br>Plan | 2028/29<br>Year 3<br>Plan | 2029/30<br>Year 4<br>Plan | 2030/31<br>Year 5<br>Plan | 2031/32<br>Year 6<br>Plan | 2032/33<br>Year 7<br>Plan | 2033/34<br>Year 8<br>Plan | 2034/35<br>Year 9<br>Plan | 2035/36<br>Year 10<br>Plan |
|------------------------------------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|----------------------------|
| <b>Employee Costs</b>                                      |                           |                           |                           |                           |                           |                           |                           |                           |                           |                            |
| Percentage of Operating Expense                            | 38%                       | 40%                       | 39%                       | 40%                       | 40%                       | 40%                       | 40%                       | 40%                       | 39%                       | 39%                        |
| Economic Indicator / Assumption as per table above         | 4.00%                     | 4.00%                     | 3.00%                     | 3.00%                     | 2.00%                     | 2.00%                     | 3.00%                     | 3.00%                     | 3.00%                     | 3.00%                      |
| Percentage of cost of existing service                     | 1.50%                     | 1.58%                     | 1.16%                     | 1.19%                     | 0.80%                     | 0.79%                     | 1.19%                     | 1.19%                     | 1.18%                     | 1.17%                      |
|                                                            |                           |                           |                           |                           |                           |                           |                           |                           |                           |                            |
| <b>Materials, contracts and other expenses</b>             |                           |                           |                           |                           |                           |                           |                           |                           |                           |                            |
| Percentage of Operating Expense                            | 39%                       | 38%                       | 38%                       | 36%                       | 36%                       | 36%                       | 36%                       | 36%                       | 36%                       | 36%                        |
| Economic Indicator / Assumption as per table above         | 5.17%                     | 4.20%                     | 3.00%                     | 3.00%                     | 2.00%                     | 2.00%                     | 3.00%                     | 3.00%                     | 3.00%                     | 3.00%                      |
| Percentage of cost of existing service                     | 2.00%                     | 1.58%                     | 1.15%                     | 1.09%                     | 0.72%                     | 0.73%                     | 1.08%                     | 1.08%                     | 1.08%                     | 1.09%                      |
|                                                            |                           |                           |                           |                           |                           |                           |                           |                           |                           |                            |
| <b>Depreciation and Amortisation</b>                       |                           |                           |                           |                           |                           |                           |                           |                           |                           |                            |
| Percentage of Operating Expense                            | 23%                       | 23%                       | 23%                       | 24%                       | 24%                       | 24%                       | 24%                       | 25%                       | 25%                       | 25%                        |
| Economic Indicator / Assumption as per table above         | 3.30%                     | 3.50%                     | 3.00%                     | 3.00%                     | 2.20%                     | 2.20%                     | 3.20%                     | 3.20%                     | 3.20%                     | 3.20%                      |
| Percentage of cost of existing service                     | 0.77%                     | 0.80%                     | 0.69%                     | 0.71%                     | 0.53%                     | 0.53%                     | 0.78%                     | 0.79%                     | 0.79%                     | 0.79%                      |
|                                                            |                           |                           |                           |                           |                           |                           |                           |                           |                           |                            |
| <b>Cost increase of existing services (Gross)</b>          | <b>4.27%</b>              | <b>3.96%</b>              | <b>3.00%</b>              | <b>3.00%</b>              | <b>2.05%</b>              | <b>2.05%</b>              | <b>3.05%</b>              | <b>3.05%</b>              | <b>3.05%</b>              | <b>3.05%</b>               |
|                                                            |                           |                           |                           |                           |                           |                           |                           |                           |                           |                            |
| Efficiency Savings (%)                                     | 0.00%                     | 0.02%                     | (0.02%)                   | (0.02%)                   | (0.08%)                   | (0.09%)                   | (0.09%)                   | (0.09%)                   | (0.10%)                   | (0.10%)                    |
| Efficiency Savings (\$'000)                                | 0                         | 11                        | (17)                      | (18)                      | (62)                      | (64)                      | (67)                      | (69)                      | (72)                      | (75)                       |
|                                                            |                           |                           |                           |                           |                           |                           |                           |                           |                           |                            |
| CPI                                                        | 4.9%                      | 4.0%                      | 3.0%                      | 3.0%                      | 2.0%                      | 2.0%                      | 3.0%                      | 3.0%                      | 3.0%                      | 3.0%                       |
|                                                            |                           |                           |                           |                           |                           |                           |                           |                           |                           |                            |
| <b>Cost of existing services (less Efficiency Savings)</b> | <b>4.3%</b>               | <b>4.0%</b>               | <b>3.0%</b>               | <b>3.0%</b>               | <b>2.0%</b>               | <b>2.0%</b>               | <b>3.0%</b>               | <b>3.0%</b>               | <b>3.0%</b>               | <b>2.9%</b>                |
|                                                            |                           |                           |                           |                           |                           |                           |                           |                           |                           |                            |
| Information Technology New Asset Costs                     | 0.03%                     | 0.03%                     | 0.03%                     | 0.03%                     | 0.03%                     | 0.03%                     | 0.03%                     | 0.03%                     | 0.03%                     | 0.03%                      |
|                                                            |                           |                           |                           |                           |                           |                           |                           |                           |                           |                            |
| <b>Total Rates required for existing services</b>          | <b>4.3%</b>               | <b>4.0%</b>               | <b>3.0%</b>               | <b>3.0%</b>               | <b>2.0%</b>               | <b>2.0%</b>               | <b>3.0%</b>               | <b>3.0%</b>               | <b>3.0%</b>               | <b>3.0%</b>                |

### External Influences and Risks

#### Geopolitical and Supply Chain Disruptions

The current geopolitical risk environment, including recent escalation in the Middle East and emerging advice regarding fuel and bitumen supply pressures, may place upward pressure on parts of Council's cost base. While the extent and duration of any impacts remains uncertain, Council's greatest short-term exposure is within asset management and capital works, particularly bitumen and asphalt-related road works, where supplier advice and sample project pricing indicate costs could rise materially if current diesel and bitumen surcharges persist.

Other areas of potential short-term exposure include Council's direct fuel costs, waste-related costs and some contractor expenses. However, several major cost categories are not expected to change materially in the short term because they are fixed, contractually set, or linked to historical indices such as March CPI, including wages, domestic waste disposal, software licences, electricity, insurance and postage.

If higher input costs are sustained, this may require expenditure reprioritisation, re-timing of lower priority capital works, particularly asphalt-heavy programs, or other offsetting responses.

#### Interest Rates

Council has forecast interest rates to range between 4.6% and 6.4% over the next 10 years based on information from the Local Government Financing Authority and Deloitte Access Economics. Should the Reserve Bank of Australia adjust official interest rates beyond these forecasts, Council's financial position could be impacted through changes in borrowing costs and investment returns. Mitigation strategies include regular updates to the Long-Term Financial Plan and careful monitoring

of key debt-related financial indicators such as interest coverage and net financial liabilities.

#### Consumer Price Index (All Adelaide)

This Long-Term Financial Plan uses a CPI of 4.9% for 2026/27 and between 2.0% and 4.0% for years 2 to 10. CPI is a general indicator of price inflation affecting household and consumer-related services. While not all Council services are directly linked to CPI, many contracts and materials are affected by movements in general inflation. Fluctuations in CPI may impact Council's ability to contain costs across the 10-year plan period.

#### Federal Assistance Grants

Council currently receives approximately \$1.9 million annually in untied Financial Assistance Grants, distributed by the South Australian Grants Commission. The quantum and timing of these grants are influenced by national funding pool decisions, grant methodology changes, demographic shifts and relative financial need. A reputational risk is the timing of grant receipts, which must be recognised in the year received, regardless of when funds are expended. This may distort annual results and impact financial indicators. Council excludes such timing effects from financial ratio calculations in line with its focus on underlying financial sustainability.

#### Local Government Price Index (LGPI)

The LGPI is a tailored index that reflects the inflationary pressures specific to South Australian local government inputs, such as construction materials, waste disposal, utilities and labour. Recent forecasts have been incorporated into this LTFP. If actual LGPI varies significantly from forecast, it may affect both operating and capital budgets.

### **Natural Resources - Water**

Water is critical for maintaining open spaces, parks and gardens. Above-CPI increases in water prices may significantly affect operational costs, especially during dry periods. Council continues to explore opportunities for stormwater reuse and water efficiency to mitigate this exposure.

### **Energy Market – Electricity and Gas**

Energy costs are a significant component of Council's operational expenditure. Ongoing market volatility, regulatory shifts and reliance on the grid expose Council to potential cost increases over time.

Council has proactively mitigated this risk by entering into a fixed annual electricity pricing arrangement as part of its Green Energy Plan Project. This includes the installation of solar panels and battery storage across multiple Council sites, contributing to the development of a Virtual Power Plant (VPP). This initiative enables Council to generate and store renewable energy, which is then used to offset electricity consumption across facilities and to power streetlighting, significantly reducing exposure to future electricity price volatility.

Additional energy-saving measures, such as LED street lighting upgrades, continue to support this long-term energy and cost resilience strategy.

### **Waste Management Levy and Disposal Costs**

Waste services are increasingly impacted by State-imposed levies, recycling market volatility and rising disposal costs. These cost pressures are projected to increase steadily over the LTFP period, particularly if further policy changes are introduced to meet environmental targets.

Council continues to respond through waste education programs, circular economy initiatives and periodic service reviews aimed at cost control and landfill diversion.

### **Cost Shifting**

A key financial risk over the life of this Long-Term Financial Plan is the continued transfer of costs and responsibilities to local government without accompanying funding. These can arise from new legislative requirements, increased regulatory complexity, or changes to grant arrangements.

Recent examples include mandated infrastructure or equipment upgrades, the removal of indexation from longstanding State funding agreements and changes to planning legislation that have significantly increased Council's compliance workload. While Council adapts to these obligations, such cost shifts reduce Council's flexibility and place upward pressure on operating budgets and rates.

This risk is expected to persist throughout the LTFP period, particularly as State and Federal budget constraints continue. Council actively monitors policy changes and advocates through sector channels to mitigate this risk, but early identification and resourcing of unfunded mandates will remain a critical component of financial sustainability planning.

### **Insurance and Cyber Risk Market Pressures**

Insurance premiums, particularly for public liability and cyber protection, have been subject to significant market increases. This is partly due to the global increase in extreme weather events, claims activity and cyber incidents. Continued escalation may affect Council's risk management costs. Council proactively manages its risk profile, insurance coverage and ICT security measures to respond to this risk.

### **Asset Renewal Forecast Inaccuracies**

Council's Infrastructure Asset Management Plans (IAMPs) are continually refined to reflect the current condition, useful life and renewal needs of community infrastructure. However, gaps in asset data, identification of previously unregistered assets and climate-related deterioration introduce a risk of inaccurate renewal forecasts. These uncertainties may lead to unplanned increases in capital expenditure or deferred maintenance.

While recent IAMP reviews have improved forecast accuracy, this risk is expected to remain material in the early to mid-years of the Long-Term Financial Plan. Council continues to invest in regular asset condition audits, system upgrades and data cleansing initiatives to strengthen its asset planning and mitigate financial impacts.

### **Subsidiary Asset and Operating Risks**

Council is part-owner of several regional subsidiaries that deliver services or manage shared infrastructure, such as East Waste, Brown Hill Keswick Creek Stormwater Board and Centennial Park. These entities operate in complex and evolving environments and Council shares in their financial and asset-related risks.

Market volatility, evolving environmental regulations and infrastructure complexities can lead to unbudgeted maintenance needs or subsidy requirements. Council actively manages these risks through governance representation, technical working groups and the integration of updated subsidiary asset management plans into its financial projections.

### **Service Delivery Cost Growth**

Council continues to face upward pressure on service delivery costs, driven by factors such as wage growth, contract indexation, increased material costs and growing community expectations. While Council strives to maintain existing service levels within CPI, these input costs often escalate faster than core revenue.

This presents a long-term financial pressure across the 10-year planning horizon. Council's strategic response includes an active efficiency and service review program focused on value-for-money assessments, service prioritisation and alternative delivery models.

### **Technology Modernisation and Enterprise Systems**

Several of Council's core enterprise systems, particularly the Property and Rating modules, are approaching functional obsolescence, with upcoming vendor-driven platform changes expected to significantly affect system capability and support. These modules are central to Council's operations and service delivery and their replacement will require careful planning and substantial investment.

There is a recognised financial and operational risk associated with this transition, including implementation costs, integration complexity, service continuity impacts and the need for organisational change management. To address this, a provisional \$7.7 million in one-off operating expenditure has been allocated across 2026/27, 2027/28 and 2028/29 within the Long-Term Financial Plan to support this transition. This funding will support system replacement, business process improvements, and ensure Council maintains secure, efficient and sustainable enterprise systems into the future.

### **Business Continuity and Emergency Response**

Unplanned disruptions, such as bushfires, extreme heat, or major system outages, can affect Council's ability to deliver services and may impose unbudgeted costs. These events often require urgent mobilisation of staff, infrastructure repair and communication efforts.

Council maintains an active Business Continuity Plan (BCP), regularly conducts emergency exercises and has invested in tools like xMatters for rapid internal communication. These preparations help reduce the impact and duration of service interruptions.

### **Climate-Driven Disasters**

The City of Mitcham is geographically exposed to bushfires, storms, flooding and heatwaves, all of which are projected to increase in frequency and severity due to climate change. These events pose significant risks to Council operations and assets, with potentially high and unpredictable financial consequences for clean-up, asset replacement, backlog recovery and community recovery.

The November 2022 storm event provides a recent and relevant example of this risk materialising. The total cost of the response and recovery exceeded \$1.35 million, including debris removal, specialist contractors, green waste processing, tree and civil works and deferred maintenance across core operational areas such as footpaths, line marking and stormwater infrastructure. Services were reprioritised for over two months, impacting core functions and creating a backlog requiring ongoing remediation.

This event highlights that climate-related incidents can rapidly redirect operational resources, increase overtime and contractor expenditure and cause significant lag impacts across multiple years. Council's Bushfire Preparedness and Community Resilience Program, combined with targeted grant funding, climate adaptation planning and emergency management protocols, are critical mitigation strategies. However, the risk of further events of this scale, or greater, remains and is expected to increase over the 10-year horizon.

### Funding Plan

The Council is committed to ensuring financial sustainability and intergenerational equity in funding its services and infrastructure. As outlined in the Council's Financial Sustainability Policy, Council adheres to the following Service Funding Principles:

1. **Recurrent Operating Services:** Recurrent operating services are funded exclusively through recurrent operating income. This approach ensures that borrowing does not create future liabilities without corresponding benefits for ratepayers. Council funds its services primarily through rates, with Council administration responsible for managing expenditure and ensuring existing service cost increases remain at or below the Consumer Price Index (CPI). New services or service level increases are a decision for Council in response to Community need and/or feedback and are costed and funded through recurrent revenue at the time of their implementation.
2. **Operating Projects:** One-off or short-term operating projects are funded through operating income sources. Borrowings are generally not used to fund these projects to avoid burdening future generations without providing them any benefits from the projects delivered.
3. **Capital Expenditure - New:** New infrastructure and upgrades to existing infrastructure are funded through borrowings for initial capital investment costs and ongoing operating income sources for recurrent service provision costs, including maintenance, operations, interest and depreciation. Alternatively, proceeds from

the sale of surplus assets can be used for initial capital investment costs. New or upgraded infrastructure projects must be accompanied by a recurrent operating income source to cover operating costs throughout the asset's service life. This upholds intergenerational equity and avoids overtaxing the community today in order to save up and undertake projects that will benefit ratepayers in the future.

4. **Capital Expenditure - Renewal:** Asset Annuity requirements for infrastructure and asset renewal are funded using recurrent operating income sources to maintain services delivered by assets and uphold intergenerational equity. As capital requirements may vary from year to year, the Asset Annuity approach ensures a balance between cash surplus and cash deficit situations. Borrowings are utilised and repaid in order to manage these cashflow requirement variances year to year.

Rates constitute more than 85% of the Council's budgeted income and this proportion remains consistent throughout the forward projections. Operating grants, statutory fees and the landscape levy, which account for approximately 11.4% of total income over the forward projections, are determined by Federal and State governments.

The remaining 2.9% of total revenue comprises user charges, reimbursements, investment income and other income. Each year, the Council sets its fees and charges by considering the cost of providing services and the community's ability to pay. Additionally, income from sporting club leases and commercial

## 2026/27 Annual Business Plan, Budget & Long-Term Financial Plan

leases contributes to the maintenance, renewal and servicing of buildings and sporting fields.

To maintain financial sustainability, it is crucial that ongoing income covers the cost of services and commitments. By adhering to the Service Funding Principles outlined in the Financial Sustainability Policy, the Council's approach to funding services and infrastructure emphasises financial sustainability and intergenerational equity. This strategy ensures that ratepayers contribute equitably without subsidising or being subsidised by other ratepayers across different time periods, while also promoting responsible management of the council's assets and services.



Citizens of the Year 2026, Ruth and Peter McInerney

## 2026/27 Annual Business Plan, Budget & Long-Term Financial Plan

| PROJECTED REVENUE                  | 2026/27<br>Year 1<br>Plan<br>\$'000 | 2027/28<br>Year 2<br>Plan<br>\$'000 | 2028/29<br>Year 3<br>Plan<br>\$'000 | 2029/30<br>Year 4<br>Plan<br>\$'000 | 2030/31<br>Year 5<br>Plan<br>\$'000 | 2031/32<br>Year 6<br>Plan<br>\$'000 | 2032/33<br>Year 7<br>Plan<br>\$'000 | 2033/34<br>Year 8<br>Plan<br>\$'000 | 2034/35<br>Year 9<br>Plan<br>\$'000 | 2035/36<br>Year 10<br>Plan<br>\$'000 |
|------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|--------------------------------------|
| <b>INCOME</b>                      |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                      |
| Rates                              | 79,894                              | 84,445                              | 87,871                              | 91,622                              | 94,228                              | 96,909                              | 100,269                             | 104,106                             | 107,704                             | 111,373                              |
| State Government Landscape Levy    | 2,078                               | 2,161                               | 2,226                               | 2,292                               | 2,338                               | 2,385                               | 2,456                               | 2,530                               | 2,606                               | 2,684                                |
| Statutory Charges                  | 2,495                               | 2,595                               | 2,673                               | 2,753                               | 2,808                               | 2,864                               | 2,950                               | 3,038                               | 3,130                               | 3,223                                |
| User Charges                       | 1,246                               | 1,295                               | 1,334                               | 1,374                               | 1,402                               | 1,430                               | 1,473                               | 1,517                               | 1,562                               | 1,609                                |
| Grants, subsidies, contributions   | 6,015                               | 5,597                               | 5,719                               | 5,079                               | 5,165                               | 5,269                               | 5,427                               | 5,589                               | 5,757                               | 5,930                                |
| Investment Income                  | 58                                  | 124                                 | 120                                 | 102                                 | 96                                  | 96                                  | 99                                  | 100                                 | 102                                 | 106                                  |
| Reimbursements                     | 836                                 | 869                                 | 895                                 | 922                                 | 941                                 | 960                                 | 988                                 | 1,018                               | 1,049                               | 1,080                                |
| Other Income                       | 591                                 | 614                                 | 633                                 | 652                                 | 665                                 | 678                                 | 699                                 | 720                                 | 741                                 | 763                                  |
| Gain - Joint ventures & associates | -                                   | -                                   | 62                                  | 119                                 | 113                                 | 49                                  | 267                                 | 236                                 | 240                                 | 297                                  |
| <b>Total Revenues</b>              | <b>93,213</b>                       | <b>97,700</b>                       | <b>101,533</b>                      | <b>104,915</b>                      | <b>107,756</b>                      | <b>110,640</b>                      | <b>114,628</b>                      | <b>118,854</b>                      | <b>122,891</b>                      | <b>127,065</b>                       |

### CEO's Statement on Financial Sustainability

The Essential Services Commission of South Australia (ESCOSA), in its 2024 review, assessed Council's current and projected financial performance as "Sustainable", the highest available classification. This independent endorsement confirms the strength of Council's financial planning and its ongoing commitment to responsible stewardship of public resources.

Recent geopolitical developments have eased some of the most immediate financial sustainability risks facing Council. This is a welcome improvement from the conditions that existed when the Draft Budget was prepared. However, the situation remains fragile and the longer-term local impacts are still uncertain. Council remains exposed to cost escalation across fuel, freight and other supply-chain dependent inputs, including direct fuel consumption, the road reseal program, fuel-intensive materials and contractor services, and broader operating and capital activities influenced by transport and energy costs. While the immediate risk has reduced, any sustained or renewed disruption could still flow through to inflation, contractor pricing, project delivery and interest rate settings. Council will therefore continue to monitor these risks closely through its budget review, procurement and long-term financial planning processes.

The recent period of geopolitical and economic uncertainty reinforces the importance of the advice previously provided by Council's Audit and Risk Committee on financial resilience. Before the recent escalation in geopolitical tensions, the Committee had already considered Council's increasing risk environment and highlighted the need to strengthen Council's operating position to support service continuity, long-term

financial sustainability and resilience to unforeseen events. In response, Council resolved to strengthen the Long-Term Financial Plan by including an additional 0.2% rate rise in each of years 2 to 6, commencing in July 2027, to progressively lift the underlying surplus. This was a measured response to the broader risk landscape, while also improving Council's capacity to restore borrowing headroom over time and retain flexibility to respond to emerging pressures. While immediate conditions have improved, the underlying need for financial resilience remains unchanged. While this financial response has been built into the Long-Term Financial Plan, its delivery will occur across future Council terms.

A further risk in the current planning cycle is therefore the timing of the next periodic Council election and the transition to a new Council. The Long-Term Financial Plan relies on a series of multi-year commitments made by this and previous Councils, including the progressive funding of Asset Management Plans, the upgrade of Council's core property and rating system, and the planned strengthening of the underlying operating surplus to better respond to uncertainty. If a future Council chooses not to continue funding these commitments, Council's projected operating position would weaken and its capacity to maintain service levels, renew assets and respond to emerging risks would be reduced.

This risk is heightened if the Council election is delayed until April, as newly elected members may have a shorter induction period before being required to make significant decisions on the Annual Business Plan, Budget and Long-Term Financial Plan.

## 2026/27 Annual Business Plan, Budget & Long-Term Financial Plan

There is also a related risk where ongoing service level increases or new services are introduced after budget adoption. Where those decisions create recurrent operating costs, the Long-Term Financial Plan will rely on future Councils continuing to fund those commitments through rates or service adjustments. If an incoming Council does not continue that funding, Council's projected operating surplus would weaken unless offsetting service reductions or savings are made.

Beyond these immediate pressures, Council is also continuing to progress the longer-term transitions that will shape financial sustainability over the coming decade. Climate resilience remains one of the most significant of these challenges, and Council continues to advance this work through targeted service and investment initiatives aimed at strengthening resilience, supporting adaptation, and improving environmental and community outcomes. These include climate risk response initiatives, Affordable Household Energy, Upgrading the Stormwater Network to Reduce Flooding, Water Sensitive Urban Design (WSUD) Implementation, and other actions that support Council's broader climate resilience objectives. At the same time, advances in digital systems, data and the ethical use of emerging technologies such as artificial intelligence present both opportunities and risks for how Council plans, delivers and monitors its services. These shifts are increasingly being reflected in Council's service planning, asset investment and long-term financial settings, including the upgrade of Council's core property and rating systems as existing platforms approach obsolescence. That investment is intended not only to maintain operational continuity and improve efficiency, but also to better position Council over time to improve its use of data and automation, and to carefully adopt emerging AI tools where they are appropriate.

In this context, Council's role in managing physical and financial resources becomes even more critical. Council is responsible for managing over \$1 billion of community assets, including their ongoing maintenance, renewal and service performance. Asset management represents a significant financial risk. Council is acutely aware of this challenge and continues to manage it proactively through quality Asset Management Plans (AMPs), integration with the Long-Term Financial Plan (LTFP), and robust asset valuation and condition data.

To respond to these pressures and responsibilities, Council's financial principles provide a strong foundation for decision-making. The 2026/27 Annual Business Plan and Long-Term Financial Plan continue to be guided by the following core commitments:

- A continued focus on maintaining existing service delivery at the lowest sustainable cost and, where possible, below CPI.
- A responsible approach to rating decisions, ensuring that any rate rise applied to new or enhanced services is sufficient to fund their full lifecycle cost at the time of introduction, where not offset by additional savings.
- Strategic investment in infrastructure and services that support climate resilience, community wellbeing, and delivery of our Mitcham 2030 priorities.
- Disciplined use of debt, avoiding borrowing to fund ongoing operational deficits, and restricting debt strictly to initial capital investment for creating new and upgraded assets. This approach supports intergenerational equity.

Council has a strong track record of delivering efficiency savings and disciplined expenditure management over many

## 2026/27 Annual Business Plan, Budget & Long-Term Financial Plan

years. Since 2013, these efforts have generated cumulative recurrent efficiencies in excess of \$8.9 million, helping Council absorb cost pressures, respond to legislative and service changes, and strengthen its long-term financial position. This sustained focus on efficiency has also contributed to improved financial resilience, including the removal of the historical operating deficit and stronger asset renewal funding.

At the same time, identifying and delivering further efficiencies is becoming more difficult in an increasingly volatile operating environment. Cost pressures in areas such as waste, insurance, utilities, fuel, contractors and other externally driven inputs continue to intensify, and many of these pressures sit beyond Council's direct control. Consultation was undertaken on the basis that the cost of maintaining existing services would increase in line with forecast CPI, however, actual CPI has since exceeded that forecast. Despite this, Council has been able to limit the increase in the cost of existing services to below actual CPI, delivering an equivalent saving of more than \$400,000 compared with a CPI-based outcome. This demonstrates Council's continued focus on financial discipline and efficiency, while maintaining existing service delivery and ensuring the lifecycle cost of new services is fully funded at the time they are endorsed.

From a longer-term financial perspective, Council's Net Financial Liabilities Ratio (NFL), a key measure of long-term financial sustainability, is forecast to peak at 74% in 2027/28, below Council's self-imposed upper target of 80%. The ratio is projected to decline to 52% by 2035/36, remaining within the sector benchmark of 100%.

This reflects \$38 million of additional net capital investment between 2027 (year 2) and 2036 (year 10), including enhanced

footpath construction, stormwater upgrades to reduce flooding, and continued investment in the Brown Hill Keswick Creek flood mitigation project. The plan also includes a \$6 million provision to enable Council to respond to future State or Federal co-investment opportunities, and a \$5 million allocation across 2027/28 and 2028/29 to continue upgrading Council's core property and rating systems in response to system obsolescence. These investments are affordable and strategically timed, ensuring that Council remains within sustainable financial parameters.

Should future Councils choose not to proceed with some of the planned capital or strategic projects through future budget processes, the projected debt trajectory would adjust accordingly. Conversely, if future Councils choose not to maintain the planned strengthening of the underlying surplus, debt levels would be higher than currently forecast and Council's capacity to restore borrowing headroom and respond to emerging risks would be reduced.

Council's long-term financial framework is designed to be robust and adaptive. It supports investment in new services while maintaining the flexibility to respond to emerging challenges and opportunities. This includes anticipating and planning for key external risks such as interest rate volatility, climate-related disruptions, and shifting regulatory responsibilities. Importantly, it helps ensure that future generations are not burdened by decisions made today.

Financial sustainability alone is not enough. Council is also focused on service sustainability, ensuring that long-term service levels and infrastructure commitments can be delivered without unplanned rate increases or service reductions. The 2026/27 Annual Business Plan and Budget includes a suite of

## 2026/27 Annual Business Plan, Budget & Long-Term Financial Plan

new and enhanced services, reflecting the importance of maintaining service quality in line with community expectations. Council continues to invest in a continuous improvement and value-for-money framework, with a growing focus on strategic and transformational projects.

As with any long-term financial plan, external factors and risks may affect future projections. These include:

- Global economic volatility, including the residual effects of recent geopolitical unrest, supply chain pressures, and labour shortages, affecting project delivery and cost structures.
- Uncertainty in economic forecasting, particularly CPI, LGPI, fuel prices and interest rates, which may affect future cost assumptions.
- The impacts of climate change on infrastructure, service delivery and community safety.
- Cost shifting from other levels of government, including new compliance obligations, reductions in funding such as the Commonwealth Financial Assistance Grant, changes to State grants, or the transfer of unfunded service responsibilities.
- The continued refinement of Asset Management Plans, which may identify additional liabilities or changes in asset condition.
- Cyber security threats, which continue to grow in complexity and pose operational and reputational risks. Council actively monitors this evolving risk and continues to invest in cyber security capability, controls and insurance coverage.
- Artificial intelligence, which presents both risks and opportunities. Council is exploring its use with a strong focus on ethical integration and sound governance.

- Council's subsidiary entities, which, while delivering community value and economies of scale, also present financial and operational risks:
  - Centennial Park Cemetery Authority, a regional subsidiary of which Council is a part-owner, operates in a complex and increasingly competitive environment. It provides an essential and valued community service while navigating evolving consumer preferences, demographic shifts, and long-term asset management challenges. Council continues to monitor the entity's financial position and strategic direction to ensure sustainable operations.
  - Brown Hill Keswick Creek Stormwater Board oversees the delivery of a multi-jurisdictional flood mitigation masterplan. The complexity of this coordinated infrastructure network, combined with the challenges of asset recognition, cross-council ownership, and ongoing maintenance, requires strong governance and forward planning. The recent development of an Infrastructure Asset Management Plan (IAMP) has significantly improved visibility of future maintenance requirements, which are now being incorporated into financial forecasts. Council participates in technical working groups and maintains oversight through ongoing reporting and strategic review of design and delivery elements.
  - East Waste, Council's waste management subsidiary, delivers critical kerbside waste services on behalf of member councils. The entity

operates in a dynamic and volatile market, influenced by global commodity prices, recycling regulations, and shifts in domestic and international waste processing markets. Council continues to work with East Waste to monitor risk exposure and ensure that service delivery remains cost-effective and environmentally responsible. These considerations are reflected in Council's current and future service planning and financial projections.

Council remains vigilant in monitoring these risks and adjusting its planning accordingly. Regular reviews of the Long-Term Financial Plan and Annual Budget ensure that Council can respond strategically, maintain its strong financial position, and continue delivering on the long-term aspirations of the Mitcham community.

## ESCOSA Local Government Advice (2024)

The Essential Services Commission of South Australia (ESCOSA) is the State’s independent economic regulator and advisory body. Under a role assigned by the State Government, ESCOSA is responsible for reviewing councils’ strategic management planning documents and providing formal advice on a four-yearly rotating schedule.

In February 2024, the City of Mitcham received advice from ESCOSA as part of this review process. In accordance with the Local Government (Financial Management) Regulations, this advice must be published in the draft and adopted Annual Business Plan for 2024/25 and each subsequent financial year until the next review cycle.

ESCOSA’s advice focuses on the following areas:

- Any material amendments made or proposed to be made to the Long-Term Financial Plan or Infrastructure and Asset Management Plans, including the reasons for those changes;
- Revenue sources outlined in the council’s funding plan; and
- Any other matters as prescribed by regulation.

A summary of the ESCOSA findings and Council’s response follows. A copy of ESCOSA’s advice is provided in Appendix 4.

Please note that ESCOSA’s advice is in addition to annual and regular audits and reviews undertaken by Council’s independent external and internal audit providers.

## Summary of ESCOSA 2024 Findings

### Overview

- The Essential Services Commission finds the City of Mitcham’s current and projected financial performance **sustainable** taking into account the council’s forecast moderate expense growth increase over the next 10 years and the planned average rate increases of 3% p.a. per property over this period.

### Risks Impacting Sustainability

- Expansion of services and the building of new assets which increases affordability risk for ratepayers.
- Cost constraints and savings targets are not met in accordance with its projections.

### Continue

- Reviewing the inflation forecasts and other relevant macroeconomic assumptions.
- Monitoring cost growth in the budgeting, including related to the costs of new services and initiatives.
- Reporting any actual and projected cost savings in the annual budget and long-term financial plan.
- Reviewing the estimates of asset useful lives.
- Consulting with the community on its strategic asset management plans.

**2026/27 Annual Business Plan, Budget & Long-Term Financial Plan**  
**City of Mitcham Response to ESCOSA 2024 Advice**

| ESCOSA Advice or Comment                                                                                                                                                                                                                                                                                                                   | Council Comment or Proposed Action                                                                                                                                                                                                                                                                                                                                  | Implementation Timeframe | Status                                                                        |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|-------------------------------------------------------------------------------|
| <b>Continue</b> to review its inflation forecasts and other relevant macroeconomic assumptions in its budgets and forward projections each year.                                                                                                                                                                                           | Quarterly information is sourced from Deloitte's Business Outlook publication. Economic assumptions are reviewed by Council's Audit and Risk Committee in February and May each year, prior to Budget Adoption.                                                                                                                                                     | N/A                      | No action required. Recognises current practice.                              |
| <b>Continue</b> to monitor cost growth in budgeting, where possible, including related to expenditure (such as for new services and initiatives) which contribute to increases in rate revenue recovery above CPI.                                                                                                                         | Administration is accountable to Council for keeping existing service level cost increases equal to or below CPI. Ongoing whole of life costs associated with budgeted new services and initiatives are matched with ongoing income (rates) as required under Council's financial sustainability policy to maintain intergenerational equity.                       | N/A                      | No action required. Recognises current practice.                              |
| <b>Continue</b> the good practice of reporting any actual and projected cost savings in annual budgets and the long-term financial plan, to provide evidence of constraining cost growth and achieving efficiency across its operations and service delivery.                                                                              | Noted.                                                                                                                                                                                                                                                                                                                                                              | N/A                      | No action required. Recognises current practice.                              |
| <b>Adhere</b> to the principles underpinning its long-term financial plan projections to continue to fund the renewal of assets (including the backlog of renewals) and to limit future expenditure on new or upgraded infrastructure as required, in consultation with its community about desired service levels and rate contributions. | Annually, Council evaluates new projects and services, adjustments to service levels and opportunities for savings as key components of its budgeting process. In guiding these decisions, Council follows the policy principles set out in its Financial Sustainability Policy. The policy promotes a financially sustainable approach to the funding of services. | N/A                      | No action required. Recognises current practice and considerations each year. |
| <b>Continue</b> to review the estimates of asset lives (and valuations) informing the forecast rate of asset consumption (and depreciation expenses)                                                                                                                                                                                       | Council formally adopts Asset Management Plans every four years and conducts regular revaluations of its assets. These processes include reviews of asset lifespans and                                                                                                                                                                                             | N/A                      | No action required. Recognises current practice.                              |

## 2026/27 Annual Business Plan, Budget & Long-Term Financial Plan

| ESCOSA Advice or Comment                                                                                                                                                                                                                                                                                                                                                                                                 | Council Comment or Proposed Action                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Implementation Timeframe | Status                                           |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------------------------------|
| and asset renewal needs in the long-term financial plan and asset management plans.                                                                                                                                                                                                                                                                                                                                      | valuations, ensuring accurate and up-to-date management of the Council's assets.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                          |                                                  |
| <b>Review</b> the rationale for rate increase assumptions in its plans (related to the classification of the costs of existing service and new services) and consider limiting future average rate increases above inflation, particularly for residential rates (for which average rate levels are high compared to similar councils), in consultation with its community and in the context of desired service levels. | <p>Annually, Council evaluates new projects and services, adjustments to service levels and potential savings as key components of its budgeting process. In guiding these decisions, Council follows the policy principles set out in its Financial Sustainability Policy. The budget undergoes a 28-day public consultation phase and the feedback received during this period is considered in the final budget decision.</p> <p>Additional details on the assumptions behind rate increases, specifically concerning the classification of costs for existing and new services, which are already outlined in budget reports, will now also be included in both draft and final Long-Term Financial Plans for enhanced clarity and reference.</p> | April 2024               | Complete                                         |
| <b>Continue</b> the good practice of consulting with the community on its strategic management plans, with a focus on understanding and managing emerging affordability risk.                                                                                                                                                                                                                                            | Noted                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | N/A                      | No action required. Recognises current practice. |

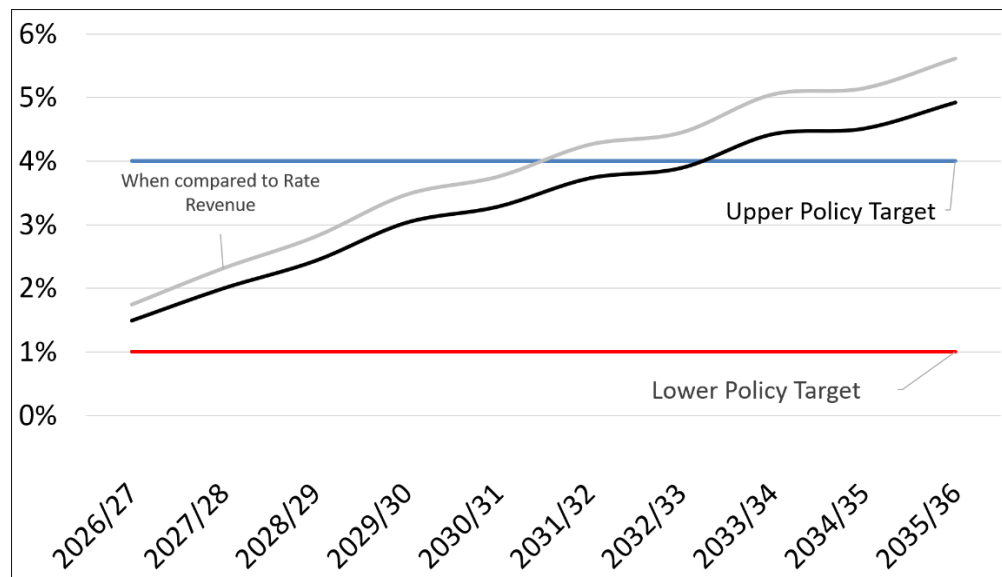
## 2026/27 Annual Business Plan, Budget & Long-Term Financial Plan

### 10 Year Key Financial Indicators

Council's Financial Sustainability Policy sets the ratios and targets with regard to financial sustainability to be used in the development of the Annual Budget / Business Plan, Long-Term Financial Plan, Asset Management Plans, budget reviews and other financial decisions. It outlines the measures by which Council will assess the implications of financial decisions on its financial position and financial sustainability. The following table provides a summary of Council's financial indicators and are in line with the Financial Sustainability Policy.

| KEY FINANCIAL INDICATORS                                                 | 10 Year Average | 2026/27 Year 1 Plan | 2027/28 Year 2 Plan | 2028/29 Year 3 Plan | 2029/30 Year 4 Plan | 2030/31 Year 5 Plan | 2031/32 Year 6 Plan | 2032/33 Year 7 Plan | 2033/34 Year 8 Plan | 2034/35 Year 9 Plan | 2035/36 Year 10 Plan |
|--------------------------------------------------------------------------|-----------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
| Operating Result Ratio - % <i>(Lower target 1.0%, Upper target 4.0%)</i> | 3.4%            | 1.5%                | 2.0%                | 2.4%                | 3.0%                | 3.3%                | 3.7%                | 3.9%                | 4.4%                | 4.5%                | 4.9%                 |
| Net Financial Liabilities Ratio - % <i>(No more than 80%)</i>            | 68%             | 74%                 | 74%                 | 73%                 | 73%                 | 72%                 | 72%                 | 66%                 | 64%                 | 58%                 | 52%                  |
| Asset Renewal Funding Ratio - % <i>(No less than 100%)</i>               | 104%            | 137%                | 100%                | 100%                | 100%                | 100%                | 100%                | 100%                | 100%                | 100%                | 100%                 |
| Asset Renewal Cashflow Ratio - % <i>(No less than 100%)</i>              | 110%            | 72%                 | 99%                 | 102%                | 113%                | 105%                | 106%                | 130%                | 118%                | 126%                | 132%                 |
| Interest Coverage Ratio - % <i>(No more than 6%)</i>                     | 3.4%            | 3.2%                | 3.8%                | 3.9%                | 3.8%                | 3.8%                | 3.6%                | 3.5%                | 3.1%                | 2.9%                | 2.6%                 |
| Headline Operating Result Ratio - %                                      | 2.7%            | (1.8)%              | (1.5)%              | 2.3%                | 3.2%                | 2.8%                | 3.6%                | 4.1%                | 4.6%                | 4.2%                | 5.2%                 |

## 2026/27 Annual Business Plan, Budget & Long-Term Financial Plan Operating Result Ratio



### Calculated as:

Operating result (excluding non-cash gains / losses from equity accounted subsidiaries and other one-off items) expressed as a percentage of Council total operating income.

### Purpose:

This ratio is designed to identify the portion of Council's operating income that is contributing to a surplus result, or alternatively the additional portion of Council's operating income needed to address a deficit result.

A positive result on this ratio indicates the percentage of Council's operating income that is available to fund new initiatives or to repay debt. A negative result indicates the percentage increase in Council's revenue, on top of that already proposed for that year, required to achieve a break-even position.

### Target Range:

In general, Council should not be targeting operating deficits, nor should it be targeting *large* operating surpluses. Both of these results negatively affect intergenerational equity. The adopted Council target for this ratio is between 1% and 4% across the 10-year Long-Term Financial Plan term.

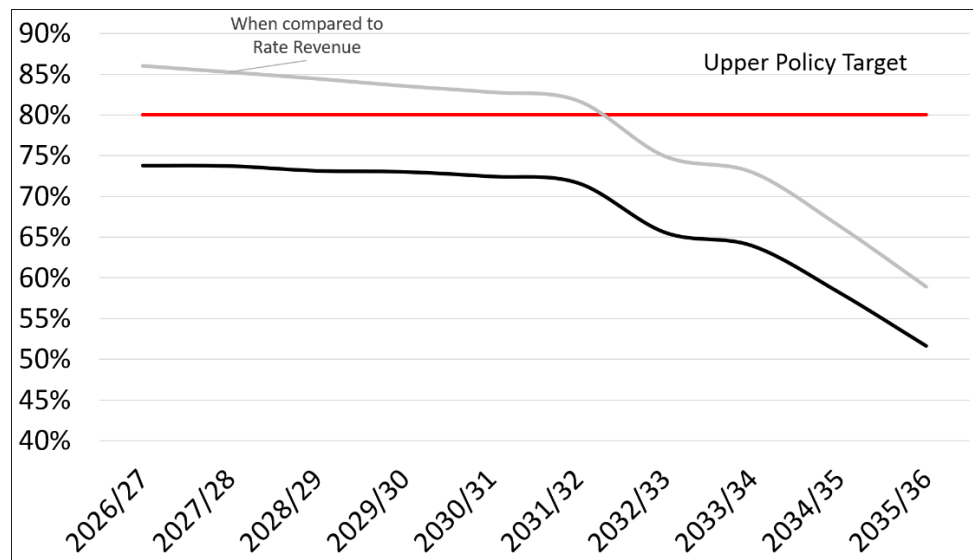
### Long-Term Financial Plan Commentary:

Council is projecting a steadily improving operating result over the 10-year Long-Term Financial Plan, with the ratio increasing from above the 1% target in 2026/27 to above the adopted upper policy target of 4% by 2033/34. This improvement reflects Council's decision to strengthen the Long-Term Financial Plan by including an additional 0.2% rate rise in each of years 2 to 6, commencing from 2027/28, to progressively lift the underlying surplus. This approach responds to Council's broader risk environment and supports intergenerational equity by helping ensure that today's services and infrastructure are not funded at the expense of future ratepayers.

The financial ratio visualisation also includes a comparison of the operating result to rate revenue, shown as the grey line, providing insight into the relationship between Council's total income and its most stable revenue source. The relative closeness of the two lines demonstrates that Council's operating position is underpinned by a solid and reliable rate base, further reinforcing the underlying strength and sustainability of its financial performance.

## 2026/27 Annual Business Plan, Budget & Long-Term Financial Plan

### Net Financial Liabilities Ratio



#### Calculated as:

Net financial liabilities and reserves as a percentage of Council operating revenue. Net financial liabilities being total liabilities less cash and other financial assets readily convertible to cash.

#### Purpose:

This ratio measures Council's net financial liabilities as a percentage of its operating income. It measures the absolute level of Council debt and articulates how much of Council's annual operating income would be required to repay that debt if Council were to wind up.

Any organisation involved in long-term projects, perpetual service delivery and asset creation requires access to debt. Debt is a healthy source of finance if used appropriately and for the right purpose and if associated with an income source to facilitate its repayment over time. Total debt should not be too low or too high so as to create a negative impact on intergenerational equity.

If total debt is too high it is arguable that current ratepayers are not paying their way, leaving too much of the burden to future generations. Equally, if total debt is too low it is arguable that current ratepayers are being asked to pay too much of the burden at the benefit of future ratepayers, or alternatively that infrastructure renewal is being deferred and assets run down for future generations to deal with.

It is also important to note that when considering the net financial liabilities as a percentage of operating income, Council is an organisation that exists in perpetuity. This is different to considering an individual's level of debt as a portion of their discretionary income, given the individual has a finite working life and therefore a finite source of income.

#### Target Range

In general, Council should be managing a level of debt to ensure the best balance between current and future ratepayers for long-lived infrastructure costs, thus delivering intergenerational equity. The adopted Council target for the ratio is to be within 80% over the 10-year Long-Term Financial Plan term.

This plan includes significant new strategic investments totalling \$37.3m for years 2 through 10 within the 10-year projections. Key initiatives include:

- Upgrade the Stormwater and Footpath network
- Implement Brown Hill Keswick Creek Flood Mitigation Works
- Capital allocations to leverage matching grant opportunities.

#### Long-Term Financial Plan Commentary:

## 2026/27 Annual Business Plan, Budget & Long-Term Financial Plan

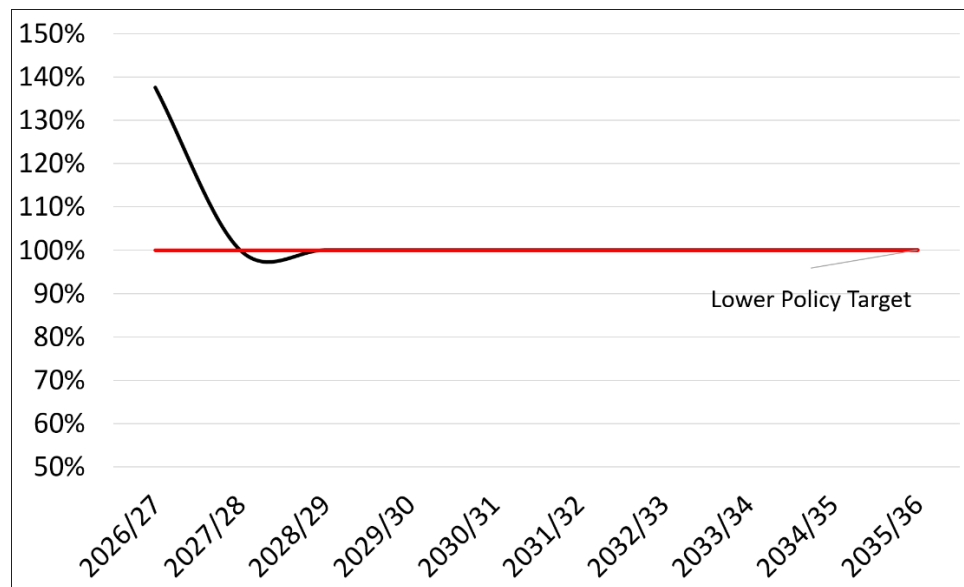
Council's level of net Financial Liabilities as a percentage of income is as a result of investment in new capital assets. The NFL peaks at 74% in 2026/27 below the Council's self-imposed upper target of 80%.

The graph also shows the ratio when expressed as a proportion of rate revenue (grey line), highlighting that Council's net liabilities remain well-supported by its most stable income source.



## 2026/27 Annual Business Plan, Budget & Long-Term Financial Plan

### Asset Renewal Funding Ratio



#### *Calculated as:*

Amount spent on replacement of existing assets expressed as a percentage of the amount planned to be spent according to the endorsed Asset Management Plans and associated annual schedules.

#### *Purpose:*

This indicator measures the extent to which Council is replacing assets compared to the rate at which it needs to be replacing assets to ensure consistent service delivery. In effect, it measures whether Council is spending the amount required annually to deliver the Asset Management Plans and schedules.

It is important to note that this indicator does not measure if Council is funding the asset replacement requirements from sustainable sources (refer Asset Renewal Cashflow Ratio) but merely measures if Council is performing the required work to replace assets and maintain the level of service and asset conditions.

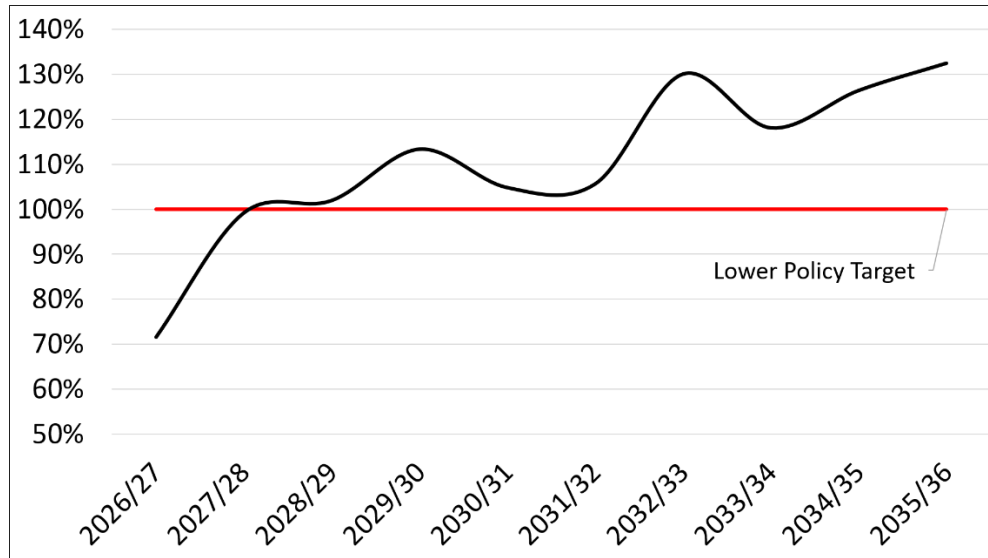
#### *Target Range:*

In general Council should be targeting on average to spend at least 100% of the gross replacement requirements over time in relation to Council's existing assets.

#### *Long-Term Financial Plan Commentary:*

Throughout the duration of the 10-year plan, Council maintains a 100% Asset Renewal Funding Ratio, indicating the funding is aligned with the Asset Management Plans and schedules for asset replacement.

## 2026/27 Annual Business Plan, Budget & Long-Term Financial Plan Asset Renewal Cashflow Ratio



### *Calculated as:*

Cash flow from operations expressed as a percentage of the net expenditure on renewal/replacement of assets.

### *Purpose:*

This indicator measures whether Council is generating enough cash from its operations to cover the replacement of assets over time. This ensures that Council is delivering intergenerational equity across the asset lifecycle.

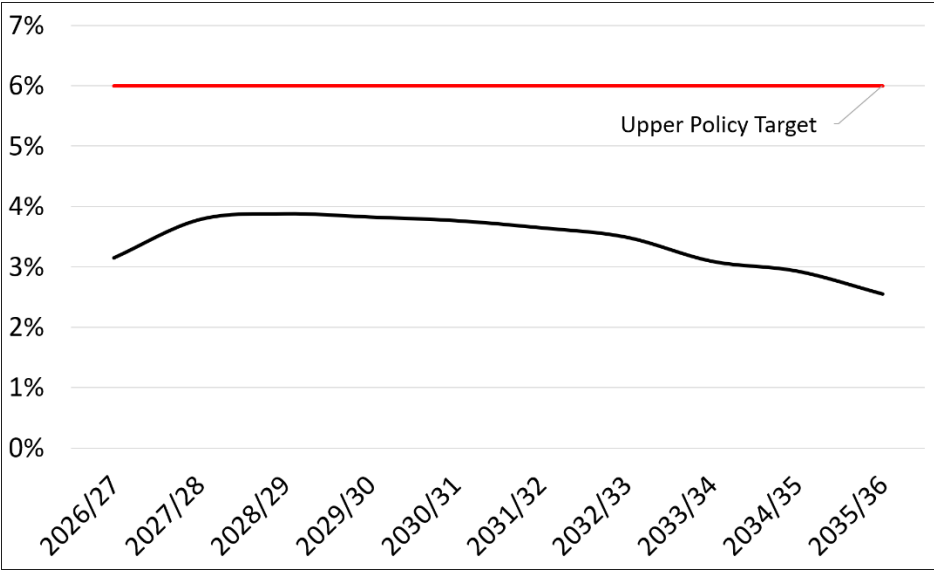
### *Target Range:*

In general Council should be targeting an average of at least 100%.

### *Long-Term Financial Plan Commentary:*

Council is generating sufficient operational cashflow to sustain asset renewal across the 10-year span, in alignment with the asset replacement requirements outlined in the Asset Management Plans and schedules.

Interest Coverage Ratio



*Calculated as:*  
Net interest expense expressed as a percentage of rates income.

*Purpose:*  
This indicator measures the affordability of Council’s debt and articulates the portion of Council’s rates income that is being used to pay interest. When considered in conjunction with the Net Financial Liabilities Ratio, this ratio forms part of a picture in terms of the level and affordability of Council’s debt.

*Upper Limit:*  
Council considers that interest expense of greater than 6% of its rates income indicates a servicing cost of debt that is too high and working against the principle of intergenerational equity.

*Long-Term Financial Plan Commentary:*  
Council’s Long-Term Financial Plan projects that the Interest Coverage Ratio will remain well below the 6% upper policy limit throughout the entire 10-year period. The ratio begins at 3.2% in 2026/27, peaks in 2028/29 at 3.9% and then gradually declines over the life of the plan, reaching 2.6% by 2035/36.

This trend reflects both the stabilisation of borrowings after near-term capital investment peaks, and Council’s commitment to prudent debt management. The average ratio of 3.4% over the decade underpins the affordability of further investments into new and improved services.

## Forecast Financial Statements

### Forecast Statement of Comprehensive Income

| STATEMENT OF COMPREHENSIVE INCOME                                              | 2026/27<br>Year 1<br>Plan<br>\$'000 | 2027/28<br>Year 2<br>Plan<br>\$'000 | 2028/29<br>Year 3<br>Plan<br>\$'000 | 2029/30<br>Year 4<br>Plan<br>\$'000 | 2030/31<br>Year 5<br>Plan<br>\$'000 | 2031/32<br>Year 6<br>Plan<br>\$'000 | 2032/33<br>Year 7<br>Plan<br>\$'000 | 2033/34<br>Year 8<br>Plan<br>\$'000 | 2034/35<br>Year 9<br>Plan<br>\$'000 | 2035/36<br>Year 10<br>Plan<br>\$'000 |
|--------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|--------------------------------------|
| <b>INCOME</b>                                                                  |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                      |
| Rates                                                                          | 79,894                              | 84,445                              | 87,871                              | 91,622                              | 94,228                              | 96,909                              | 100,269                             | 104,106                             | 107,704                             | 111,373                              |
| State Government Landscape Levy                                                | 2,078                               | 2,161                               | 2,226                               | 2,292                               | 2,338                               | 2,385                               | 2,456                               | 2,530                               | 2,606                               | 2,684                                |
| Statutory Charges                                                              | 2,495                               | 2,595                               | 2,673                               | 2,753                               | 2,808                               | 2,864                               | 2,950                               | 3,038                               | 3,130                               | 3,223                                |
| User Charges                                                                   | 1,246                               | 1,295                               | 1,334                               | 1,374                               | 1,402                               | 1,430                               | 1,473                               | 1,517                               | 1,562                               | 1,609                                |
| Grants, subsidies, contributions                                               | 6,015                               | 5,597                               | 5,719                               | 5,079                               | 5,165                               | 5,269                               | 5,427                               | 5,589                               | 5,757                               | 5,930                                |
| Investment Income                                                              | 58                                  | 124                                 | 120                                 | 102                                 | 96                                  | 96                                  | 99                                  | 100                                 | 102                                 | 106                                  |
| Reimbursements                                                                 | 836                                 | 869                                 | 895                                 | 922                                 | 941                                 | 960                                 | 988                                 | 1,018                               | 1,049                               | 1,080                                |
| Other Income                                                                   | 591                                 | 614                                 | 633                                 | 652                                 | 665                                 | 678                                 | 699                                 | 720                                 | 741                                 | 763                                  |
| Gain - Joint ventures & associates                                             | -                                   | -                                   | 62                                  | 119                                 | 113                                 | 49                                  | 267                                 | 236                                 | 240                                 | 297                                  |
| <b>Total Revenues</b>                                                          | <b>93,213</b>                       | <b>97,700</b>                       | <b>101,533</b>                      | <b>104,916</b>                      | <b>107,756</b>                      | <b>110,640</b>                      | <b>114,628</b>                      | <b>118,854</b>                      | <b>122,891</b>                      | <b>127,065</b>                       |
| <b>EXPENSES</b>                                                                |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                      |
| Employee costs                                                                 | 36,515                              | 37,015                              | 38,043                              | 39,184                              | 39,968                              | 40,767                              | 41,990                              | 43,250                              | 44,548                              | 45,884                               |
| Materials, contracts & other expenses                                          | 32,582                              | 34,640                              | 32,610                              | 32,902                              | 34,378                              | 34,653                              | 35,691                              | 37,028                              | 38,892                              | 39,598                               |
| State Government Landscape Levy                                                | 2,078                               | 2,161                               | 2,226                               | 2,292                               | 2,338                               | 2,385                               | 2,456                               | 2,530                               | 2,606                               | 2,684                                |
| Finance costs                                                                  | 2,576                               | 3,320                               | 3,531                               | 3,609                               | 3,646                               | 3,633                               | 3,602                               | 3,322                               | 3,259                               | 2,950                                |
| Depreciation and Amortisation                                                  | 21,081                              | 21,990                              | 22,774                              | 23,622                              | 24,438                              | 25,164                              | 26,160                              | 27,232                              | 28,396                              | 29,399                               |
| Loss - Joint ventures & associates                                             | 61                                  | 25                                  | -                                   | -                                   | -                                   | -                                   | -                                   | -                                   | -                                   | -                                    |
| <b>Total Expenses</b>                                                          | <b>94,893</b>                       | <b>99,151</b>                       | <b>99,184</b>                       | <b>101,609</b>                      | <b>104,768</b>                      | <b>106,602</b>                      | <b>109,899</b>                      | <b>113,362</b>                      | <b>117,701</b>                      | <b>120,515</b>                       |
|                                                                                |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                      |
| <b>OPERATING SURPLUS/(DEFICIT)</b>                                             | <b>(1,680)</b>                      | <b>(1,451)</b>                      | <b>2,349</b>                        | <b>3,307</b>                        | <b>2,988</b>                        | <b>4,038</b>                        | <b>4,729</b>                        | <b>5,492</b>                        | <b>5,190</b>                        | <b>6,550</b>                         |
| Asset disposal and fair value adjustments                                      | 1,830                               | -                                   | -                                   | -                                   | -                                   | -                                   | -                                   | -                                   | -                                   | -                                    |
| Amounts received specifically for new or upgraded assets                       | 200                                 | 1,000                               | -                                   | -                                   | -                                   | -                                   | -                                   | -                                   | -                                   | -                                    |
| Physical resources free of charge                                              | -                                   | -                                   | -                                   | -                                   | -                                   | -                                   | -                                   | -                                   | -                                   | -                                    |
| <b>NET SURPLUS/(DEFICIT)</b>                                                   | <b>350</b>                          | <b>(451)</b>                        | <b>2,349</b>                        | <b>3,307</b>                        | <b>2,988</b>                        | <b>4,038</b>                        | <b>4,729</b>                        | <b>5,492</b>                        | <b>5,190</b>                        | <b>6,550</b>                         |
| <b>Other Comprehensive Income</b>                                              |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                      |
| Changes in revaluation surplus - infrastructure, property, plant and equipment | 26,968                              | 29,837                              | 26,555                              | 27,486                              | 20,883                              | 21,438                              | 32,035                              | 33,071                              | 34,325                              | 35,439                               |
| Share of other comprehensive income - equity accounted Council businesses      | -                                   | -                                   | -                                   | -                                   | -                                   | -                                   | -                                   | -                                   | -                                   | -                                    |
| Other Equity Adjustments - Equity Accounted Council Businesses                 | -                                   | -                                   | -                                   | -                                   | -                                   | -                                   | -                                   | -                                   | -                                   | -                                    |
| <b>Total Other Comprehensive Income</b>                                        | <b>26,968</b>                       | <b>29,837</b>                       | <b>26,555</b>                       | <b>27,486</b>                       | <b>20,883</b>                       | <b>21,438</b>                       | <b>32,035</b>                       | <b>33,071</b>                       | <b>34,325</b>                       | <b>35,439</b>                        |
|                                                                                |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                      |
| <b>TOTAL COMPREHENSIVE INCOME</b>                                              | <b>27,318</b>                       | <b>29,386</b>                       | <b>28,904</b>                       | <b>30,793</b>                       | <b>23,871</b>                       | <b>25,476</b>                       | <b>36,764</b>                       | <b>38,563</b>                       | <b>39,515</b>                       | <b>41,989</b>                        |

## 2026/27 Annual Business Plan, Budget & Long-Term Financial Plan

### Forecast Statement of Financial Position

| STATEMENT OF FINANCIAL POSITION                    | 2026/27<br>Year 1<br>Plan<br>\$'000 | 2027/28<br>Year 2<br>Plan<br>\$'000 | 2028/29<br>Year 3<br>Plan<br>\$'000 | 2029/30<br>Year 4<br>Plan<br>\$'000 | 2030/31<br>Year 5<br>Plan<br>\$'000 | 2031/32<br>Year 6<br>Plan<br>\$'000 | 2032/33<br>Year 7<br>Plan<br>\$'000 | 2033/34<br>Year 8<br>Plan<br>\$'000 | 2034/35<br>Year 9<br>Plan<br>\$'000 | 2035/36<br>Year 10<br>Plan<br>\$'000 |
|----------------------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|--------------------------------------|
| <b>ASSETS</b>                                      |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                      |
| <b>Current Assets</b>                              |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                      |
| Cash and cash equivalents                          | 2,647                               | 2,758                               | 2,841                               | 2,926                               | 2,985                               | 3,043                               | 3,135                               | 3,230                               | 3,328                               | 3,426                                |
| Trade and other receivables                        | 7,683                               | 7,992                               | 8,229                               | 8,477                               | 8,648                               | 8,822                               | 9,086                               | 9,358                               | 9,636                               | 9,926                                |
| Inventories                                        | 15                                  | 15                                  | 16                                  | 16                                  | 17                                  | 17                                  | 18                                  | 18                                  | 19                                  | 19                                   |
|                                                    | <b>10,345</b>                       | <b>10,765</b>                       | <b>11,086</b>                       | <b>11,419</b>                       | <b>11,650</b>                       | <b>11,882</b>                       | <b>12,239</b>                       | <b>12,606</b>                       | <b>12,983</b>                       | <b>13,371</b>                        |
| <b>Non-Current Assets</b>                          |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                      |
| Equity accounted investments in council businesses | 30,854                              | 30,828                              | 30,891                              | 31,010                              | 31,123                              | 31,172                              | 31,438                              | 31,674                              | 31,915                              | 32,212                               |
| Infrastructure, property, plant and equipment      | 852,486                             | 885,157                             | 916,216                             | 949,238                             | 974,456                             | 1,001,085                           | 1,033,473                           | 1,072,645                           | 1,107,455                           | 1,143,237                            |
| Other non-current assets                           | 9,071                               | 9,071                               | 9,071                               | 9,071                               | 9,071                               | 9,071                               | 9,071                               | 9,071                               | 9,071                               | 9,071                                |
|                                                    | <b>892,411</b>                      | <b>925,056</b>                      | <b>956,178</b>                      | <b>989,319</b>                      | <b>1,014,650</b>                    | <b>1,041,328</b>                    | <b>1,073,982</b>                    | <b>1,113,390</b>                    | <b>1,148,441</b>                    | <b>1,184,520</b>                     |
| <b>Total Assets</b>                                | <b>902,756</b>                      | <b>935,821</b>                      | <b>967,264</b>                      | <b>1,000,738</b>                    | <b>1,026,300</b>                    | <b>1,053,210</b>                    | <b>1,086,221</b>                    | <b>1,125,996</b>                    | <b>1,161,424</b>                    | <b>1,197,891</b>                     |
| <b>LIABILITIES</b>                                 |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                      |
| <b>Current Liabilities</b>                         |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                      |
| Trade and other payables                           | 9,972                               | 10,391                              | 10,702                              | 11,024                              | 11,244                              | 11,469                              | 11,813                              | 12,167                              | 12,532                              | 12,908                               |
| Short term borrowings                              | 5,240                               | 5,614                               | 6,525                               | 7,583                               | 8,718                               | 9,980                               | 10,971                              | 12,493                              | 13,784                              | 12,111                               |
| Short term provisions                              | 5,886                               | 6,122                               | 6,305                               | 6,495                               | 6,625                               | 6,757                               | 6,960                               | 7,169                               | 7,384                               | 7,605                                |
|                                                    | <b>21,098</b>                       | <b>22,127</b>                       | <b>23,532</b>                       | <b>25,102</b>                       | <b>26,587</b>                       | <b>28,206</b>                       | <b>29,744</b>                       | <b>31,829</b>                       | <b>33,700</b>                       | <b>32,624</b>                        |
| <b>Non-Current Liabilities</b>                     |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                      |
| Long term borrowings                               | 57,149                              | 59,766                              | 60,874                              | 61,958                              | 62,145                              | 61,943                              | 56,625                              | 55,722                              | 49,735                              | 45,258                               |
| Long term provisions                               | 832                                 | 865                                 | 891                                 | 918                                 | 936                                 | 955                                 | 984                                 | 1,013                               | 1,043                               | 1,075                                |
|                                                    | <b>57,981</b>                       | <b>60,631</b>                       | <b>61,765</b>                       | <b>62,876</b>                       | <b>63,081</b>                       | <b>62,898</b>                       | <b>57,609</b>                       | <b>56,735</b>                       | <b>50,778</b>                       | <b>46,333</b>                        |
| <b>Total Liabilities</b>                           | <b>79,079</b>                       | <b>82,758</b>                       | <b>85,297</b>                       | <b>87,978</b>                       | <b>89,668</b>                       | <b>91,104</b>                       | <b>87,353</b>                       | <b>88,564</b>                       | <b>84,478</b>                       | <b>78,957</b>                        |
|                                                    |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                      |
| <b>NET ASSETS</b>                                  | <b>823,677</b>                      | <b>853,063</b>                      | <b>881,967</b>                      | <b>912,760</b>                      | <b>936,632</b>                      | <b>962,106</b>                      | <b>998,868</b>                      | <b>1,037,432</b>                    | <b>1,076,946</b>                    | <b>1,118,934</b>                     |
| <b>EQUITY</b>                                      |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                      |
| Accumulated surplus                                | 395,913                             | 395,463                             | 397,812                             | 401,119                             | 404,106                             | 408,142                             | 412,870                             | 418,363                             | 423,551                             | 430,102                              |
| Asset revaluation reserve                          | 427,753                             | 457,589                             | 484,144                             | 511,630                             | 532,515                             | 553,953                             | 585,987                             | 619,058                             | 653,384                             | 688,821                              |
| Other Reserves                                     | 11                                  | 11                                  | 11                                  | 11                                  | 11                                  | 11                                  | 11                                  | 11                                  | 11                                  | 11                                   |
| <b>TOTAL EQUITY</b>                                | <b>823,677</b>                      | <b>853,063</b>                      | <b>881,967</b>                      | <b>912,760</b>                      | <b>936,632</b>                      | <b>962,106</b>                      | <b>998,868</b>                      | <b>1,037,432</b>                    | <b>1,076,946</b>                    | <b>1,118,934</b>                     |

## 2026/27 Annual Business Plan, Budget & Long-Term Financial Plan

### Forecast Statement of Cash Flows

| STATEMENT OF CASH FLOWS                                       | 2026/27<br>Year 1<br>Plan<br>\$'000 | 2027/28<br>Year 2<br>Plan<br>\$'000 | 2028/29<br>Year 3<br>Plan<br>\$'000 | 2029/30<br>Year 4<br>Plan<br>\$'000 | 2030/31<br>Year 5<br>Plan<br>\$'000 | 2031/32<br>Year 6<br>Plan<br>\$'000 | 2032/33<br>Year 7<br>Plan<br>\$'000 | 2033/34<br>Year 8<br>Plan<br>\$'000 | 2034/35<br>Year 9<br>Plan<br>\$'000 | 2035/36<br>Year 10<br>Plan<br>\$'000 |
|---------------------------------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|--------------------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                   |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                      |
| <b>Receipts</b>                                               |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                      |
| Operating receipts                                            | 92,796                              | 97,270                              | 101,111                             | 104,448                             | 107,377                             | 110,319                             | 113,996                             | 118,246                             | 122,269                             | 126,373                              |
| Investment receipts                                           | 58                                  | 124                                 | 120                                 | 102                                 | 96                                  | 96                                  | 99                                  | 100                                 | 102                                 | 106                                  |
| <b>Payments</b>                                               |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                      |
| Finance payments                                              | 2,576                               | 3,320                               | 3,531                               | 3,609                               | 3,646                               | 3,633                               | 3,602                               | 3,322                               | 3,259                               | 2,950                                |
| Operating payments to suppliers and employees                 | 70,426                              | 73,129                              | 72,358                              | 73,842                              | 76,316                              | 77,430                              | 79,562                              | 82,215                              | 85,436                              | 87,538                               |
| <b>Net Cash provided by (or used in) Operating Activities</b> | <b>19,852</b>                       | <b>20,945</b>                       | <b>25,342</b>                       | <b>27,099</b>                       | <b>27,511</b>                       | <b>29,352</b>                       | <b>30,931</b>                       | <b>32,809</b>                       | <b>33,676</b>                       | <b>35,991</b>                        |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                   |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                      |
| <b>Receipts</b>                                               |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                      |
| Grants utilised for capital purposes                          |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                      |
| Amounts received specifically for new or upgraded assets      | 200                                 | 1,000                               | -                                   | -                                   | -                                   | -                                   | -                                   | -                                   | -                                   | -                                    |
| Sale of replaced assets                                       | 1,004                               | 1,105                               | 776                                 | 1,020                               | 810                                 | 834                                 | 751                                 | 1,028                               | 1,212                               | 1,201                                |
| Sale of surplus assets                                        | 4,789                               | -                                   | -                                   | -                                   | -                                   | -                                   | -                                   | -                                   | -                                   | -                                    |
| Distributions received from associated entities               | 1,830                               | -                                   | -                                   | -                                   | -                                   | -                                   | -                                   | -                                   | -                                   | -                                    |
| <b>Payments</b>                                               |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                      |
| Investment in Joint Venture Activities                        | -                                   | -                                   | -                                   | -                                   | -                                   | -                                   | -                                   | -                                   | -                                   | -                                    |
| Expenditure on Renewal/Replacement of Assets                  | 27,755                              | 21,118                              | 24,863                              | 23,906                              | 26,252                              | 27,796                              | 23,781                              | 27,783                              | 26,640                              | 27,169                               |
| Expenditure on New/Upgraded Assets                            | 7,437                               | 4,812                               | 3,191                               | 6,271                               | 3,331                               | 3,392                               | 3,483                               | 6,578                               | 3,455                               | 3,775                                |
| Capital Contributed to Equity Accounted Council Businesses    |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                      |
| <b>Net Cash Provided by (or used in) Investing Activities</b> | <b>(27,369)</b>                     | <b>(23,825)</b>                     | <b>(27,278)</b>                     | <b>(29,157)</b>                     | <b>(28,773)</b>                     | <b>(30,354)</b>                     | <b>(26,513)</b>                     | <b>(33,333)</b>                     | <b>(28,883)</b>                     | <b>(29,743)</b>                      |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                   |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                      |
| <b>Receipts</b>                                               |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                      |
| Proceeds from Borrowings                                      | 14,880                              | 8,231                               | 7,633                               | 8,668                               | 8,904                               | 9,778                               | 5,654                               | 11,590                              | 7,798                               | 7,634                                |
| <b>Payments</b>                                               |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                      |
| Repayments of Borrowings                                      | 3,943                               | 5,240                               | 5,614                               | 6,525                               | 7,583                               | 8,718                               | 9,980                               | 10,971                              | 12,493                              | 13,784                               |
| <b>Net Cash provided by (or used in) Financing Activities</b> | <b>10,937</b>                       | <b>2,991</b>                        | <b>2,019</b>                        | <b>2,143</b>                        | <b>1,321</b>                        | <b>1,060</b>                        | <b>(4,326)</b>                      | <b>619</b>                          | <b>(4,695)</b>                      | <b>(6,150)</b>                       |
| <b>Net Increase/(Decrease) in cash held</b>                   | <b>3,420</b>                        | <b>111</b>                          | <b>83</b>                           | <b>85</b>                           | <b>59</b>                           | <b>58</b>                           | <b>92</b>                           | <b>95</b>                           | <b>98</b>                           | <b>98</b>                            |
| Opening cash, cash equivalents or (bank overdraft)            | (773)                               | 2,647                               | 2,758                               | 2,841                               | 2,926                               | 2,985                               | 3,043                               | 3,135                               | 3,230                               | 3,328                                |
| <b>Closing cash, cash equivalents or (bank overdraft)</b>     | <b>2,647</b>                        | <b>2,758</b>                        | <b>2,841</b>                        | <b>2,926</b>                        | <b>2,985</b>                        | <b>3,043</b>                        | <b>3,135</b>                        | <b>3,230</b>                        | <b>3,328</b>                        | <b>3,426</b>                         |

## 2026/27 Annual Business Plan, Budget & Long-Term Financial Plan

### Forecast Statement of Changes in Equity

| STATEMENT OF CHANGES IN EQUITY                                 | 2026/27<br>Year 1<br>Plan<br>\$'000 | 2027/28<br>Year 2<br>Plan<br>\$'000 | 2028/29<br>Year 3<br>Plan<br>\$'000 | 2029/30<br>Year 4<br>Plan<br>\$'000 | 2030/31<br>Year 5<br>Plan<br>\$'000 | 2031/32<br>Year 6<br>Plan<br>\$'000 | 2032/33<br>Year 7<br>Plan<br>\$'000 | 2033/34<br>Year 8<br>Plan<br>\$'000 | 2034/35<br>Year 9<br>Plan<br>\$'000 | 2035/36<br>Year 10<br>Plan<br>\$'000 |
|----------------------------------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|--------------------------------------|
| <b>ACCUMULATED SURPLUS</b>                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                      |
| Balance at beginning of period                                 | 395,563                             | 395,913                             | 395,463                             | 397,812                             | 401,119                             | 404,105                             | 408,142                             | 412,869                             | 418,362                             | 423,551                              |
| Net surplus / (deficit) for year                               | 350                                 | (450)                               | 2,349                               | 3,307                               | 2,987                               | 4,037                               | 4,727                               | 5,493                               | 5,189                               | 6,551                                |
| Share of OCI - Equity Accounted Council Businesses             |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                      |
| Other Equity Adjustments - Equity Accounted Council Businesses |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                      |
| <b>Balance at end of period</b>                                | <b>395,913</b>                      | <b>395,463</b>                      | <b>397,812</b>                      | <b>401,119</b>                      | <b>404,106</b>                      | <b>408,142</b>                      | <b>412,869</b>                      | <b>418,362</b>                      | <b>423,551</b>                      | <b>430,102</b>                       |
| <b>ASSET REVALUATION RESERVE</b>                               |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                      |
| Balance at beginning of period                                 | 400,785                             | 427,752                             | 457,589                             | 484,144                             | 511,630                             | 532,515                             | 553,953                             | 585,988                             | 619,059                             | 653,384                              |
| Transfer to reserve - revaluation increment/(decrement)        | 26,968                              | 29,837                              | 26,555                              | 27,486                              | 20,885                              | 21,438                              | 32,035                              | 33,071                              | 34,325                              | 35,437                               |
| Share of OCI - Equity Accounted Council Businesses             |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                      |
| <b>Balance at end of period</b>                                | <b>427,753</b>                      | <b>457,589</b>                      | <b>484,144</b>                      | <b>511,630</b>                      | <b>532,515</b>                      | <b>553,953</b>                      | <b>585,988</b>                      | <b>619,059</b>                      | <b>653,384</b>                      | <b>688,821</b>                       |
| <b>OTHER RESERVES</b>                                          |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                      |
| Balance at end of previous reporting period                    | 11                                  | 11                                  | 11                                  | 11                                  | 11                                  | 11                                  | 11                                  | 11                                  | 11                                  | 11                                   |
| Transfers from Accumulated Surplus                             | -                                   | -                                   | -                                   | -                                   | -                                   | -                                   | -                                   | -                                   | -                                   | -                                    |
| Transfers to Accumulated Surplus                               | -                                   | -                                   | -                                   | -                                   | -                                   | -                                   | -                                   | -                                   | -                                   | -                                    |
| <b>Balance at end of period</b>                                | <b>11</b>                           | <b>11</b>                           | <b>11</b>                           | <b>11</b>                           | <b>11</b>                           | <b>11</b>                           | <b>11</b>                           | <b>11</b>                           | <b>11</b>                           | <b>11</b>                            |
| <b>TOTAL EQUITY AT END OF REPORTING PERIOD</b>                 | <b>823,677</b>                      | <b>853,063</b>                      | <b>881,967</b>                      | <b>912,760</b>                      | <b>936,632</b>                      | <b>962,106</b>                      | <b>998,868</b>                      | <b>1,037,432</b>                    | <b>1,076,946</b>                    | <b>1,118,934</b>                     |

## 2026/27 Annual Business Plan, Budget & Long-Term Financial Plan

### Forecast Uniform Presentation of Finances

| UNIFORM PRESENTATION OF FINANCES                              | 2026/27<br>Year 1<br>Plan<br>\$'000 | 2027/28<br>Year 2<br>Plan<br>\$'000 | 2028/29<br>Year 3<br>Plan<br>\$'000 | 2029/30<br>Year 4<br>Plan<br>\$'000 | 2030/31<br>Year 5<br>Plan<br>\$'000 | 2031/32<br>Year 6<br>Plan<br>\$'000 | 2032/33<br>Year 7<br>Plan<br>\$'000 | 2033/34<br>Year 8<br>Plan<br>\$'000 | 2034/35<br>Year 9<br>Plan<br>\$'000 | 2035/36<br>Year 10<br>Plan<br>\$'000 |
|---------------------------------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|--------------------------------------|
| Operating Revenues                                            | 93,213                              | 97,700                              | 101,533                             | 104,916                             | 107,756                             | 110,640                             | 114,628                             | 118,854                             | 122,891                             | 127,065                              |
| <i>less; Operating Expenses</i>                               | 94,893                              | 99,151                              | 99,184                              | 101,609                             | 104,768                             | 106,602                             | 109,899                             | 113,362                             | 117,701                             | 120,515                              |
| <b>Operating Surplus/(Deficit)</b>                            | <b>(1,680)</b>                      | <b>(1,451)</b>                      | <b>2,349</b>                        | <b>3,307</b>                        | <b>2,988</b>                        | <b>4,038</b>                        | <b>4,729</b>                        | <b>5,492</b>                        | <b>5,190</b>                        | <b>6,550</b>                         |
| <b>Less: Net Outlays on Existing Assets</b>                   |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                      |
| Capital Expenditure on Renewal/Replacement of Existing Assets | (27,755)                            | (21,118)                            | (24,863)                            | (23,906)                            | (26,252)                            | (27,796)                            | (23,781)                            | (27,783)                            | (26,640)                            | (27,169)                             |
| <i>less; Depreciation, Amortisation &amp; Impairment</i>      | 21,081                              | 21,990                              | 22,774                              | 23,622                              | 24,438                              | 25,164                              | 26,160                              | 27,232                              | 28,396                              | 29,399                               |
| <i>less; Proceeds from Sale of Replaced Assets</i>            | 1,004                               | 1,105                               | 776                                 | 1,020                               | 810                                 | 834                                 | 751                                 | 1,028                               | 1,212                               | 1,201                                |
|                                                               | <b>(5,670)</b>                      | <b>1,977</b>                        | <b>(1,313)</b>                      | <b>736</b>                          | <b>(1,004)</b>                      | <b>(1,798)</b>                      | <b>3,130</b>                        | <b>477</b>                          | <b>2,968</b>                        | <b>3,431</b>                         |
| <b>Less: Net Outlays on New and Upgraded Assets</b>           |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                      |
| Capital Expenditure on New/Upgraded Assets                    | (7,437)                             | (4,812)                             | (3,191)                             | (6,271)                             | (3,331)                             | (3,392)                             | (3,483)                             | (6,578)                             | (3,455)                             | (3,775)                              |
| <i>less; Amounts Specifically for New/Upgraded Assets</i>     | 200                                 | 1,000                               | -                                   | -                                   | -                                   | -                                   | -                                   | -                                   | -                                   | -                                    |
| <i>less; Proceeds from Sale of Surplus Assets</i>             | 4,789                               | -                                   | -                                   | -                                   | -                                   | -                                   | -                                   | -                                   | -                                   | -                                    |
|                                                               | <b>(2,448)</b>                      | <b>(3,812)</b>                      | <b>(3,191)</b>                      | <b>(6,271)</b>                      | <b>(3,331)</b>                      | <b>(3,392)</b>                      | <b>(3,483)</b>                      | <b>(6,578)</b>                      | <b>(3,455)</b>                      | <b>(3,775)</b>                       |
| <b>Net Lending / (Borrowing) for Financial Year</b>           | <b>(9,798)</b>                      | <b>(3,286)</b>                      | <b>(2,155)</b>                      | <b>(2,228)</b>                      | <b>(1,347)</b>                      | <b>(1,152)</b>                      | <b>4,376</b>                        | <b>(609)</b>                        | <b>4,703</b>                        | <b>6,206</b>                         |

## Appendices

Upgraded playground at CC Hood Reserve, Panorama



## Appendix 1: Budgeted Financial Statements

### Budgeted Statement of Comprehensive Income

The statement of comprehensive income presents the operating income, expenses and result. It also presents those amounts classified as capital income and other comprehensive income. It is based on the Model Financial Statements as required under the Local Government Act 1999. Amounts included in this statement are used to calculate a number of the financial indicators that assist in assessing the long-term financial performance and viability.

| Year Ended 30 June:                                            | 2024/25<br>ACTUALS<br>\$,000 | 2025/26<br>ESTIMATE<br>Current Year<br>\$,000 | 2026/27<br>PLAN<br>\$,000 |
|----------------------------------------------------------------|------------------------------|-----------------------------------------------|---------------------------|
| <b>INCOME</b>                                                  |                              |                                               |                           |
| Rates Revenues                                                 | 72,467                       | 77,010                                        | 81,972                    |
| Statutory Charges                                              | 2,513                        | 2,283                                         | 2,495                     |
| User Charges                                                   | 1,079                        | 1,160                                         | 1,246                     |
| Grants, Subsidies and Contributions                            | 8,035                        | 4,620                                         | 6,015                     |
| Investment Income                                              | -                            | 64                                            | 58                        |
| Reimbursements                                                 | 529                          | 827                                           | 836                       |
| Other Income                                                   | 703                          | 788                                           | 591                       |
| Net Gain - Equity Accounted Council Businesses                 | -                            | -                                             | -                         |
| <b>Total Income</b>                                            | <b>85,326</b>                | <b>86,752</b>                                 | <b>93,213</b>             |
| <b>EXPENSES</b>                                                |                              |                                               |                           |
| Employee costs                                                 | 30,825                       | 32,359                                        | 36,515                    |
| Materials, Contracts & Other Expenses                          | 30,896                       | 31,700                                        | 32,582                    |
| State Government Landscape Levy                                | -                            | 2,127                                         | 2,078                     |
| Finance costs                                                  | 1,285                        | 1,795                                         | 2,576                     |
| Depreciation, Amortisation & Impairment                        | 18,372                       | 20,091                                        | 21,081                    |
| Loss - Joint ventures & associates                             | 87                           | 122                                           | 61                        |
| <b>Total Expenses</b>                                          | <b>81,465</b>                | <b>88,194</b>                                 | <b>94,893</b>             |
| <b>OPERATING SURPLUS/(DEFICIT)</b>                             | <b>3,861</b>                 | <b>(1,442)</b>                                | <b>(1,680)</b>            |
| Asset disposal & Fair Value Adjustments                        | (861)                        | (4,306)                                       | 1,830                     |
| Amounts Received Specifically for New or Upgraded Assets       | 2,825                        | 11,087                                        | 200                       |
| Physical Resources Received Free of Charge                     | 819                          | 964                                           | -                         |
| <b>NET SURPLUS/(DEFICIT)</b>                                   | <b>6,644</b>                 | <b>6,303</b>                                  | <b>350</b>                |
| <b>Other Comprehensive Income</b>                              |                              |                                               |                           |
| Changes in revaluation surplus                                 | 8,232                        | 19,345                                        | 26,968                    |
| - infrastructure, property, plant and equipment                |                              |                                               |                           |
| Share of Other Comprehensive Income                            | (46)                         | -                                             | -                         |
| - Equity Accounted Council businesses                          |                              |                                               |                           |
| Other Equity Adjustments - Equity Accounted Council Businesses | 1,015                        |                                               |                           |
| <b>Total Other Comprehensive Income</b>                        | <b>9,201</b>                 | <b>19,345</b>                                 | <b>26,968</b>             |
| <b>TOTAL COMPREHENSIVE INCOME</b>                              | <b>15,845</b>                | <b>25,648</b>                                 | <b>27,318</b>             |

### Budgeted Statement of Financial Position

The statement of financial position provides a projection of total 'community wealth' (total equity). It summarises our financial worth at a specific point in time, including assets, liabilities and net equity. Amounts included within the balance sheet are used to calculate a number of financial indicators that assist in assessing the long-term financial position and viability.

| Year Ended 30 June:                                | 2024/25<br>ACTUALS<br>\$,000 | 2025/26<br>ESTIMATE<br>Current Year<br>\$,000 | 2026/27<br>PLAN<br>\$,000 |
|----------------------------------------------------|------------------------------|-----------------------------------------------|---------------------------|
| <b>ASSETS</b>                                      |                              |                                               |                           |
| <b>Current Assets</b>                              |                              |                                               |                           |
| Cash and cash equivalents                          | 1,533                        | (773)                                         | 2,647                     |
| Trade and other receivables                        | 6,825                        | 7,325                                         | 7,683                     |
| Inventories                                        | 14                           | 14                                            | 15                        |
| <b>Total Current Assets</b>                        | <b>8,372</b>                 | <b>6,566</b>                                  | <b>10,345</b>             |
| <b>Non-Current Assets</b>                          |                              |                                               |                           |
| Equity accounted investments in council businesses | 31,036                       | 30,914                                        | 30,854                    |
| Infrastructure, property, plant and equipment      | 775,550                      | 817,202                                       | 852,486                   |
| Other non-current assets                           | 9,071                        | 9,071                                         | 9,071                     |
| <b>Total Non-Current Assets</b>                    | <b>815,657</b>               | <b>857,187</b>                                | <b>892,411</b>            |
| <b>Total Assets</b>                                | <b>824,029</b>               | <b>863,753</b>                                | <b>902,756</b>            |
| <b>LIABILITIES</b>                                 |                              |                                               |                           |
| <b>Current Liabilities</b>                         |                              |                                               |                           |
| Trade and other payables                           | 15,809                       | 9,482                                         | 9,972                     |
| Borrowings                                         | 2,275                        | 2,275                                         | 5,240                     |
| Provisions                                         | 5,529                        | 5,660                                         | 5,886                     |
| <b>Total Current Liabilities</b>                   | <b>23,613</b>                | <b>17,417</b>                                 | <b>21,098</b>             |
| <b>Non-Current Liabilities</b>                     |                              |                                               |                           |
| Borrowings                                         | 28,924                       | 49,177                                        | 57,149                    |
| Provisions                                         | 783                          | 800                                           | 832                       |
| <b>Total Non-Current Liabilities</b>               | <b>29,707</b>                | <b>49,977</b>                                 | <b>57,981</b>             |
| <b>Total Liabilities</b>                           | <b>53,320</b>                | <b>67,394</b>                                 | <b>79,079</b>             |
| <b>NET ASSETS</b>                                  | <b>770,709</b>               | <b>796,359</b>                                | <b>823,677</b>            |
| <b>EQUITY</b>                                      |                              |                                               |                           |
| Accumulated surplus                                | 389,258                      | 395,563                                       | 395,913                   |
| Asset revaluation reserve                          | 381,440                      | 400,785                                       | 427,753                   |
| Other Reserves                                     | 11                           | 11                                            | 11                        |
| <b>TOTAL EQUITY</b>                                | <b>770,709</b>               | <b>796,359</b>                                | <b>823,677</b>            |

## 2026/27 Annual Business Plan, Budget & Long-Term Financial Plan

### Budgeted Statement of Cash Flows

The statement of cash flows forecasts incoming and outgoing cash for the financial year. It also explains changes in the balance sheet and statement of comprehensive income affected by cash and cash equivalents. The statement is useful in determining the short-term viability of our organisation, particularly our ability to meet cash commitments.

| Year Ended 30 June:                                           | 2024/25<br>ACTUALS<br>\$,000 | 2025/26<br>ESTIMATE<br>Current Year<br>\$,000 | 2026/27<br>PLAN<br>\$,000 |
|---------------------------------------------------------------|------------------------------|-----------------------------------------------|---------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                   |                              |                                               |                           |
| <b>Receipts</b>                                               |                              |                                               |                           |
| Operating receipts                                            | 89,024                       | 86,506                                        | 92,796                    |
| Investment receipts                                           | -                            | 64                                            | 58                        |
| <b>Payments</b>                                               |                              |                                               |                           |
| Operating payments to suppliers and employees                 | (68,582)                     | (65,249)                                      | (70,426)                  |
| Finance payments                                              | (1,123)                      | (1,795)                                       | (2,576)                   |
| <b>Net Cash provided by (or used in) Operating Activities</b> | <b>19,319</b>                | <b>19,526</b>                                 | <b>19,852</b>             |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                   |                              |                                               |                           |
| <b>Receipts</b>                                               |                              |                                               |                           |
| Grants utilised for capital purposes                          | 2,031                        |                                               |                           |
| Amounts received specifically for new or upgraded assets      | 2,825                        | 3,066                                         | 200                       |
| Sale of surplus assets                                        | -                            | -                                             | 4,789                     |
| Sale of replaced assets                                       | 1,012                        | 1,822                                         | 1,004                     |
| Distribution from Associated entity                           |                              |                                               | 1,830                     |
| <b>Payments</b>                                               |                              |                                               |                           |
| Investment in Joint Venture Activities                        | -                            | -                                             | -                         |
| Expenditure on Renewal/Replacement of Assets                  | (20,208)                     | (22,771)                                      | (27,755)                  |
| Expenditure on New/Upgraded Assets                            | (8,990)                      | (24,202)                                      | (7,437)                   |
| Capital Contributed to Equity Accounted Council Businesses    | (400)                        | -                                             | -                         |
| <b>Net Cash Provided by (or used in) Investing Activities</b> | <b>(23,730)</b>              | <b>(42,085)</b>                               | <b>(27,369)</b>           |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                   |                              |                                               |                           |
| <b>Receipts</b>                                               |                              |                                               |                           |
| Proceeds from Borrowings                                      | 13,500                       | 22,529                                        | 14,880                    |
| <b>Payments</b>                                               |                              |                                               |                           |
| Repayments of Borrowings                                      | (1,807)                      | (2,275)                                       | (3,943)                   |
| <b>Net Cash provided by (or used in) Financing Activities</b> | <b>11,693</b>                | <b>20,254</b>                                 | <b>10,937</b>             |
| <b>Net Increase/(Decrease) in cash held</b>                   | <b>7,282</b>                 | <b>(2,306)</b>                                | <b>3,420</b>              |
| Opening cash, cash equivalents or (bank overdraft)            | (5,748)                      | 1,533                                         | (773)                     |
| <b>Closing cash, cash equivalents or (bank overdraft)</b>     | <b>1,533</b>                 | <b>(773)</b>                                  | <b>2,647</b>              |

### Budgeted Statement of Changes in Equity

The statement of changes in equity is used to compare equity between the beginning and end of an accounting period. It also provides details of reserves currently held including forecast movements.

| Year Ended 30 June:                                              | 2024/25<br>ACTUALS<br>\$,000 | 2025/26<br>ESTIMATE<br>Current Year<br>\$,000 | 2026/27<br>PLAN<br>\$,000 |
|------------------------------------------------------------------|------------------------------|-----------------------------------------------|---------------------------|
| <b>ACCUMULATED SURPLUS</b>                                       |                              |                                               |                           |
| Balance at beginning of period                                   | 381,645                      | 389,258                                       | 395,563                   |
| Net surplus / (deficit) for year                                 | 6,644                        | 6,305                                         | 350                       |
| Other Comprehensive Income - Other Equity                        |                              |                                               |                           |
| Adjustments - Equity Accounted Council Businesses                | (46)                         |                                               |                           |
| Other Equity Adjustments - Equity Accounted Council Businesses   | 1,015                        |                                               |                           |
| Transfers Between Reserves                                       | -                            | -                                             | -                         |
| <b>Balance at end of period</b>                                  | <b>389,258</b>               | <b>395,563</b>                                | <b>395,913</b>            |
| <b>ASSET REVALUATION RESERVE</b>                                 |                              |                                               |                           |
| Balance at beginning of period                                   | 373,208                      | 381,440                                       | 400,785                   |
| Other Comprehensive Income - Gain(Loss) on Revaluation of I,PP&E | 8,232                        | 19,345                                        | 26,968                    |
| Share of OCI - Equity Accounted Council Businesses               | -                            |                                               |                           |
| <b>Balance at end of period</b>                                  | <b>381,440</b>               | <b>400,785</b>                                | <b>427,753</b>            |
| <b>OTHER RESERVES</b>                                            |                              |                                               |                           |
| Balance at end of previous reporting period                      | 11                           | 11                                            | 11                        |
| Transfers to Accumulated Surplus                                 | -                            | -                                             | -                         |
| <b>Balance at end of period</b>                                  | <b>11</b>                    | <b>11</b>                                     | <b>11</b>                 |
| <b>TOTAL EQUITY AT END OF REPORTING PERIOD</b>                   | <b>770,709</b>               | <b>796,359</b>                                | <b>823,677</b>            |

## 2026/27 Annual Business Plan, Budget & Long-Term Financial Plan

### *Budgeted Uniform Presentation of Finances*

The uniform presentations of finances provide a high-level summary of both operating and capital investment activities enabling comparisons between councils.

In any one year, the above financing transactions are associated with either surplus funds stemming from a net lending result or accommodating the funding requirements stemming from a net borrow.

| Year Ended 30 June:                                                   | 2024/25<br>ACTUALS<br>\$,000 | 2025/26<br>ESTIMATE<br>Current Year<br>\$,000 | 2026/27<br>PLAN<br>\$,000 |
|-----------------------------------------------------------------------|------------------------------|-----------------------------------------------|---------------------------|
| <b>Operating Surplus/(Deficit)</b>                                    |                              |                                               |                           |
| Operating Revenues                                                    | 85,326                       | 86,752                                        | 93,213                    |
| less Operating Expenses                                               | (81,465)                     | (88,194)                                      | (94,893)                  |
|                                                                       | <b>3,861</b>                 | <b>(1,442)</b>                                | <b>(1,680)</b>            |
| <b>Less: Net Outlays on Existing Assets</b>                           |                              |                                               |                           |
| Capital Expenditure on Renewal/Replacement of Existing Assets         | (20,208)                     | (22,771)                                      | (27,755)                  |
| less Depreciation, Amortisation & Impairment                          | 18,372                       | 20,091                                        | 21,081                    |
| less Amounts Received Specifically for Replacement of Existing Assets |                              |                                               |                           |
| less Proceeds from Sale of Replaced Assets                            | 1,012                        | 1,822                                         | 1,004                     |
|                                                                       | <b>(824)</b>                 | <b>(858)</b>                                  | <b>(5,670)</b>            |
| <b>Less: Net Outlays on New and Upgraded Assets</b>                   |                              |                                               |                           |
| Capital Expenditure on New/Upgraded Assets                            | (8,990)                      | (24,202)                                      | (7,437)                   |
| less Amounts Specifically for New/Upgraded Assets                     | 2,825                        | 3,066                                         | 200                       |
| less Proceeds from Sale of Surplus Assets                             | -                            | -                                             | 4,789                     |
|                                                                       | <b>(6,165)</b>               | <b>(21,136)</b>                               | <b>(2,448)</b>            |
| <b>Net Lending / (Borrowing) for Financial Year</b>                   | <b>(3,128)</b>               | <b>(23,436)</b>                               | <b>(9,798)</b>            |

## Appendix 2: Capital Works Program 2026/27

## New Capital Works Program

| Suburb                                                             | Location                                     | Details                                                |
|--------------------------------------------------------------------|----------------------------------------------|--------------------------------------------------------|
| <b>STORMWATER DRAINAGE - NEW</b>                                   |                                              |                                                        |
| Belair                                                             | Belair Rd                                    | Main Road Belair Drainage Investigation                |
| Belair                                                             | Penno Pde                                    | Penno Pde/Downer Reserve feasibility                   |
| Belair                                                             | Reed St                                      | Reed St - Stormwater System                            |
| Various                                                            | Various                                      | Treenet Inlets associated with Kerb Renewal Program    |
| St Marys                                                           | Merriton/Ragless                             | Merriton/Ragless Intersection upgrade                  |
| Hawthorndene                                                       | Suffolk Reserve                              | Suffolk Reserve - Creek Infrastructure upgrade         |
| Hawthorn                                                           | Hampton St                                   | Aligned with Bridge upgrade (BHKC)                     |
| <b>Projects not completed in 2025/26 – Re-budgeted for 2026/27</b> |                                              |                                                        |
| Hawthorndene                                                       | Surrey St and Batley Ave                     |                                                        |
| Various                                                            | City Wide - Future 23/24 Smart Water Designs |                                                        |
| Bellevue Heights                                                   | 20 Argyll Walk                               | Pipe renewal and upgrade                               |
| Daw Park                                                           | Goodwood Rd – Stage 2 - Design               | SMP project                                            |
| Colonel Light Gardens                                              | Grange Rd                                    | Pipe renewal and upgrade                               |
| Pasadena                                                           | Naomi Tce                                    | WSUD elements, alongside Car Park and Tennis Court     |
| Daw Park                                                           | Goodwood Rd Stage 2 & 3 - Design             |                                                        |
| <b>SMART WATER DESIGN – FOUR YEAR DELIVERY PLAN</b>                |                                              |                                                        |
| Various                                                            | Various                                      | Treenet Inlets and WSUD elements alongside KB Renewals |
| <b>BROWN HILL CREEK SUBSIDIARY</b>                                 |                                              |                                                        |

## 2026/27 Annual Business Plan, Budget & Long-Term Financial Plan

| Suburb                                                             | Location                                                                                   | Details                                                 |
|--------------------------------------------------------------------|--------------------------------------------------------------------------------------------|---------------------------------------------------------|
| Various                                                            | Various                                                                                    | Brown Hill Keswick Creek Contribution                   |
| <b>FOOTPATHS - NEW CONSTRUCTION</b>                                |                                                                                            |                                                         |
| <b>Projects not completed in 2025/26 – Re-budgeted for 2026/27</b> |                                                                                            |                                                         |
| Melrose Park                                                       | Marion St Reserve                                                                          | Internal connections                                    |
| Hawthorndene                                                       | Main Rd                                                                                    | Bus Stop 34 to Footpath Link                            |
| Hawthorndene                                                       | Hawthorndene Connections                                                                   | Hawthorndene Pedestrian Refuge                          |
| <b>BRIDGES - NEW</b>                                               |                                                                                            |                                                         |
| Hawthorn                                                           | Hampton St Bridge                                                                          | BHKC – Barrier and Footpath                             |
| <b>TRAFFIC MANAGEMENT - NEW</b>                                    |                                                                                            |                                                         |
| Various                                                            | Local Area Traffic Management – Cumberland Park, Daw Park and Colonel Light Gardens (West) | Local Area Traffic Management                           |
| <b>Projects not completed in 2025/26 – Re-budgeted for 2026/27</b> |                                                                                            |                                                         |
| Various                                                            | Various                                                                                    | LED Lighting Upgrades                                   |
| Hawthorndene                                                       | Hawthorndene Dr                                                                            | Installation of Pedestrian Islands                      |
| Various                                                            | Various                                                                                    | Implementing the Kingswood, Mitcham, Netherby           |
| Various                                                            | Various                                                                                    | Investing in Traffic Calming Measures in Overton Ward   |
| <b>OPEN SPACE - NEW</b>                                            |                                                                                            |                                                         |
| Various                                                            | Various                                                                                    | Provision for Minor New Capital Requests in Open Spaces |

## 2026/27 Annual Business Plan, Budget & Long-Term Financial Plan

| Suburb                                                             | Location                  | Details                                                      |
|--------------------------------------------------------------------|---------------------------|--------------------------------------------------------------|
|                                                                    |                           |                                                              |
| <b>Projects not completed in 2025/26 – Re-budgeted for 2026/27</b> |                           |                                                              |
| Colonel Light Gardens                                              | Mortlock Park             | Upgrading Baseball Infrastructure at Mortlock Park           |
|                                                                    |                           |                                                              |
| <b>BUILDINGS - NEW</b>                                             |                           |                                                              |
| <b>Projects not completed in 2025/26 – Re-budgeted for 2026/27</b> |                           |                                                              |
| Melrose Park                                                       | Depot                     | Depot inclusive whole of staff renovation                    |
| Torrens Park                                                       | Civic Centre              | Main Switch Board Upgrade Civic Centre                       |
| Pasadena                                                           | Pasadena Community Centre | Car Park and Landscaping                                     |
| Colonel Light Gardens                                              | Mortlock Park             | Mortlock Park - Demolition of the Girl Guides Building, Land |
|                                                                    |                           |                                                              |
| <b>IT - NEW</b>                                                    |                           |                                                              |
|                                                                    |                           | IT - New                                                     |
|                                                                    |                           |                                                              |
| <b>PLANT &amp; EQUIPMENT - NEW</b>                                 |                           |                                                              |
| <b>Projects not completed in 2025/26 – Re-budgeted for 2026/27</b> |                           |                                                              |
|                                                                    |                           | Hydralada EWP                                                |
|                                                                    |                           | Isuzu Truck                                                  |
|                                                                    |                           |                                                              |
| <b>GREEN ENERGY PLAN - NEW</b>                                     |                           |                                                              |
| <b>Projects not completed in 2025/26 – Re-budgeted for 2026/27</b> |                           |                                                              |

## 2026/27 Annual Business Plan, Budget & Long-Term Financial Plan

| Suburb       | Location     | Details                                        |
|--------------|--------------|------------------------------------------------|
| Torrens Park | Civic Centre | Fast Electric Vehicle Chargers x2 Civic Centre |

## 2026/27 Annual Business Plan, Budget & Long-Term Financial Plan

### Capital Works Renewal Program

| Suburb              | Road                | Location                                | Treatment       |
|---------------------|---------------------|-----------------------------------------|-----------------|
| <b>ROAD RENEWAL</b> |                     |                                         |                 |
| Suburb              | Road                | Location                                | Treatment       |
| Hawthorndene        | Anderson AVE        | Cunard Dr to Turners Ave                | Re-seal + Patch |
| Kingswood           | Arnold ST           | Bakers Rd to Princes Rd                 | Re-seal         |
| Belair              | Ash AVE             | Gum Gr to Longview Ave                  | Re-seal         |
| Belair              | Athol ST            | Lindsay Tce to Upper Sturt Rd           | Re-seal         |
| Cumberland Park     | Avon ST             | Caulfield Ave to Edward St              | Re-seal         |
| Melrose Park        | Ayers AVE           | Stephen St to Winston Ave               | Re-seal + Patch |
| Torrens Park        | Barrelder RD        | Belair Rd to Carruth Rd                 | Re-seal + Patch |
| Coromandel Valley   | Baust CR            | Winns Rd to Cul-de-sac                  | Re-seal         |
| Blackwood           | Bens PL             | Melton St to Cul-de-sac                 | Re-seal         |
| Hawthorndene        | Blackthorn AVE      | Kauri Rd to Watahuna Ave<br>(Closure)   | Re-seal         |
| Craigburn Farm      | Blackwood Park BLVD | Fergusson AV to #32 (Change<br>of Seal) | Re-seal + Patch |
| Craigburn Farm      | Blackwood Park BLVD | Fergusson AV to Blackwood<br>Park BLVD  | Re-seal + Patch |
| Clapham             | Boothby ST          | Strathcona Ave to Toronto Ave           | Re-seal + Patch |
| Blackwood           | Bracken AVE         | Chapman St to Cul-de-sac                | Re-seal         |
| Mitcham             | Bradey ST           | Bollards to High St                     | Re-seal         |
| Hawthorndene        | Briar RD            | Kauri Rd to Sycamore Cr                 | Re-seal + Patch |
| Hawthorn            | Cameron RD          | George St to Durdin Rd                  | Re-seal + Patch |
| Torrens Park        | Carruth RD          | Fife Ave to Barrelder Rd                | Re-seal         |
| Torrens Park        | Cezanne CT          | Belair Rd to Cul-de-sac                 | Re-seal         |
| Hawthorndene        | Chancery LA         | Gorse Av to Sturt AV                    | Re-seal         |
| Crafers West        | Charlick RD         | HV Power Lines to Cul-de-sac            | Re-seal         |
| Hawthorndene        | Clyde RD            | Acheron Ave to Cunnard Dr               | Re-seal + Patch |
| Panorama            | Crescent AVE        | Bellevue Dr to Bonview Ave              | Re-seal + Patch |
| St Marys            | Crystal AVE         | South Rd to Ragless St                  | RECON           |

## 2026/27 Annual Business Plan, Budget & Long-Term Financial Plan

| Suburb                | Road           | Location                                                  | Treatment       |
|-----------------------|----------------|-----------------------------------------------------------|-----------------|
| Coromandel Valley     | Diosma DR      | Protea Ave to Craiglee Dr                                 | Re-seal + Patch |
| Bellevue Heights      | Donnybrook RD  | Shepherds Hill Rd to Glenwood Dr                          | Re-seal         |
| Daw Park              | Dudley AVE     | Winston Ave to Roseberry St                               | Re-seal         |
| Hawthorn              | Durbin RD      | Llewelyn Tce to Frimley Gr                                | Re-seal         |
| Glenalta              | Emu AVE        | Miner AV to Cul-de-sac                                    | Re-seal         |
| Blackwood             | Eric ST        | Cedar Ave to Southern Ave                                 | Re-seal + Patch |
| Cumberland Park       | Esk ST         | Caulfield Ave to Edward St                                | Re-seal         |
| Cumberland Park       | Farah PL       | Avenue Rd to Cul-de-sac                                   | Re-seal         |
| Blackwood             | Fern RD        | Sherbourne Rd to Brighton Pde                             | Re-seal         |
| Hawthorndene          | Gorse AVE      | Service Lane (Property no. 8 - property no. 2 Gorse Ave)  | Re-seal + Patch |
| Clapham               | Grainger ST    | Barretts Rd to End                                        | Re-seal         |
| Panorama              | Grandview DR   | Hare Cr to Railway Tce                                    | Re-seal + Patch |
| Eden Hills            | Grove ST       | Dale Rd to Glen Rd                                        | Re-seal         |
| Eden Hills            | Hillcrest DR   | Cul-de-sac (Shepherds Hill Rd) to Kinedana St             | Re-seal         |
| Coromandel Valley     | Jackson AVE    | Ewers Av to Cul-de-sac                                    | Re-seal         |
| Torrens Park          | John Fisher DR | Permeable Paving Sections - 14a & 18 John Fisher Dr       | Recon           |
| Hawthorndene          | Kauri RD       | Hawthorndene Dr to Blackthorn Ave                         | Re-seal         |
| Colonel Light Gardens | Kent RD        | Springbank RD to East Parkway & Hastings RD to Cul-de-sac | Re-seal         |
| Hawthorndene          | Krowalle CR    | Myrtle RD to Cul-de-sac                                   | Re-seal + Patch |
| Hawthorndene          | Limpsfield AVE | Darwin Ave to Pasteur Ave                                 | Re-seal + Patch |
| Belair                | Lindsay TCE    | Upper Sturt Rd to Athol St                                | Re-seal         |
| Hawthorn              | Llewelyn TCE   | George St to Angas Rd                                     | Re-seal         |
| Belair                | Longview AVE   | Gault Rd to Ash Ave                                       | Re-seal         |
| Colonel Light Gardens | Ludgate CRCS   | Grange Rd to Goodwood Rd                                  | Re-seal         |

## 2026/27 Annual Business Plan, Budget & Long-Term Financial Plan

| Suburb                | Road           | Location                                                                    | Treatment       |
|-----------------------|----------------|-----------------------------------------------------------------------------|-----------------|
| Colonel Light Gardens | Manchester RD  | Broadway to Pembroke Pl                                                     | Re-seal         |
| Glenalta              | Mandalay AVE   | Colorado Dr to Upper Sturt Rd                                               | Re-seal         |
| Blackwood             | McDonald AVE   | Miller TCE to Main RD + Connector                                           | Re-seal         |
| Belair                | McGregor CT    | Alta Mira Cr to Cul-de-sac                                                  | Re-seal + Patch |
| Cumberland Park       | Mersey ST      | Caulfield Ave to Edward St                                                  | Re-seal         |
| Eden Hills            | Mill TCE       | Shepherds Hill RD to Cul-de-sac                                             | Re-seal         |
| Eden Hills            | Miranda ST     | Wilpena St to Yalanda St                                                    | Re-seal         |
| Eden Hills            | Mountain RD    | Lee St to Dale Rd                                                           | Re-seal + Patch |
| Torrens Park          | Muggs Hill RD  | Albert ST to Evans AV                                                       | Re-seal + Patch |
| Blackwood             | Myall AVE      | Miller Tce to No.13 Myall Ave                                               | Re-seal         |
| Belair                | Neate AVE      | Service Road - Property No. 29<br>Neate Ave to Property no. 25<br>Neate Ave | Re-seal         |
| Mitcham               | Neweys RD      | Old Belair Road to Driveway<br>Link cul de sac                              | Re-seal + Patch |
| Glenalta              | Nottingham WAY | Rosella Ave to Sherwood Dr                                                  | Re-seal         |
| Hawthorndene          | Orchard GR     | Hawthorndene Dr to Meadow Ave                                               | Re-seal + Patch |
| Torrens Park          | Pamela RD      | Carruth Rd to Blythewood Rd                                                 | Re-seal         |
| Colonel Light Gardens | Pembroke PL    | The Grove to Cul-de-sac                                                     | Re-seal         |
| Glenalta              | Petherick ST   | Upper Sturt Rd to Cul-de-sac                                                | Re-seal + Patch |
| Lower Mitcham         | Pikes LA       | Chasewater St to Price Ave                                                  | Re-seal         |
| Glenalta              | Pine Creek CR  | Sherwood Dr to End                                                          | Re-seal         |
| Glenalta              | Pine Lodge DR  | Bermuda Way to Upper Sturt Rd                                               | Re-seal         |
| Lower Mitcham         | Pitfour RD     | Price Ave to End                                                            | Re-seal         |
| Belair                | Price AVE      | Gloucester Ave to Penno Pde North                                           | Re-seal         |
| St Marys              | Quinlan AVE    | Dorene St to Norman St                                                      | Re-seal + Patch |

## 2026/27 Annual Business Plan, Budget & Long-Term Financial Plan

| Suburb                                                             | Road            | Location                                | Treatment       |
|--------------------------------------------------------------------|-----------------|-----------------------------------------|-----------------|
| Belair                                                             | Reed ST         | Hawker Ave to End                       | RECON           |
| Eden Hills                                                         | Ronald AVE      | Hillcrest Dr to Cul-de-sac              | Re-seal         |
| Belair                                                             | Scenic CT       | Kalyra Rd to End                        | Re-seal         |
| Cumberland Park                                                    | Severn ST       | Caulfield Ave to Edward St              | Re-seal + Patch |
| Eden Hills                                                         | Seymour LA      | Seymour ST to Northcoate RD             | RECON           |
| Craigburn Farm                                                     | Shelter ROW (B) | Shelter Row (A) to No.29<br>Shelter Row | Re-seal         |
| Glenalta                                                           | Sherwood DR     | Rosella AV to Hawthorndene<br>DR        | Re-seal         |
| Pasadena                                                           | Spiers LA       | Spiers Ave to Rugby La                  | RECON           |
| Eden Hills                                                         | Springwood CL   | Mill Tce to Cul-de-sac                  | Re-seal         |
| Cumberland Park                                                    | Tamar ST        | Caulfield Ave to Edward St              | Re-seal         |
| St Marys                                                           | The Crescent    | Brookman Ave to End                     | Re-seal         |
| Belair                                                             | Tree Top TCE    | Caroline Ave to End                     | Re-seal + Patch |
| Hawthorndene                                                       | Vale RD         | Rankeys Hill Rd to Cul-de-sac           | Re-seal + Patch |
| Blackwood                                                          | Wentworth CL    | Melton St to Cul-de-sac                 | Re-seal         |
| Belair                                                             | Windarra CT     | End to Mead St                          | Re-seal         |
| Eden Hills                                                         | Wonoka ST       | Eurilpa St to Wilpena St                | Re-seal + Patch |
| Blackwood                                                          | Young ST        | Melton St to Waite St                   | Re-seal + Patch |
| <b>Projects not completed in 2025/26 – Re-budgeted for 2026/27</b> |                 |                                         |                 |
| Pasadena                                                           | Painter ST      | Forbes St to Fiveash Dr                 |                 |
| Hawthorndene                                                       | Batley AVE      | Minnow Creek to Myrtle Rd               |                 |
| Colonel Light Gardens                                              | Grange RD       | Goodwood Rd to Railway Line             |                 |
| Blackwood                                                          | Coromandel PDE  | Brigalow Ave to Grand Blvd<br>(South)   |                 |
| Panorama                                                           | Eliza PL        | Springbank Rd to Panorama Dr            |                 |
| Blackwood                                                          | Garnet AVE      | Coromandel Pde to Brighton<br>Pde       |                 |
| Mitcham                                                            | Wokurna AVE     | Hill St to Princes Rd                   |                 |
|                                                                    |                 |                                         |                 |

## 2026/27 Annual Business Plan, Budget & Long-Term Financial Plan

| Suburb                            | Road                        | Location                         | Treatment                  |
|-----------------------------------|-----------------------------|----------------------------------|----------------------------|
| <b>ROADS TO RECOVERY</b>          |                             |                                  |                            |
| Hawthorn                          | Sussex TCE                  | Angas Rd to Grange Rd            | RECON                      |
| St Marys                          | Cashel St                   | Daws Rd to Adelaide Tce          | RECON                      |
| Urrbrae                           | Waite RD                    | Cross Rd to Hartley GR           | RECON                      |
|                                   |                             |                                  |                            |
| <b>ROAD RENEWAL - DESIGN ONLY</b> |                             |                                  |                            |
| Belair                            | Ambrose ST                  | Service Rd                       |                            |
| Melrose Park                      | Crozier AVE                 | Stephen ST to Winston AV         |                            |
| Cumberland Park                   | Cumberland AVE              | Winston Ave to Goodwood Rd       |                            |
| Various                           | Deflectograph Testing       |                                  |                            |
| Blackwood                         | Dorham RD                   | Main Rd to Keith Rd              |                            |
| Belair                            | Upper Sturt RD (Service Rd) | Between #62 - #68 Upper Sturt Rd |                            |
| St Marys                          | Walsh AVE                   | Dorene St to Thurles St          |                            |
| Cumberland Park                   | Winston AVE                 | Albert St Roundabout             |                            |
| Clarence Gardens                  | Winston AVE                 | Edward St Intersection           |                            |
|                                   |                             |                                  |                            |
| <b>KERB RENEWAL</b>               |                             |                                  |                            |
| Colonel Light Gardens             | 53 West Parkway             | West Parkway                     | kerbing/spoon drains - TBC |
| Belair                            | Aerial RD                   | Belair RD to End                 | Partial                    |
| Cumberland Park                   | Akoolya ST                  | Somerset AV to Kyeema AV         | Partial                    |
| St Marys                          | Comaun ST                   | Benjamin ST to Dorene ST         | Partial                    |
| Melrose Park                      | Corunna AVE                 | South RD to Winston AV           | Partial                    |

## 2026/27 Annual Business Plan, Budget & Long-Term Financial Plan

| Suburb           | Road           | Location                                                          | Treatment         |
|------------------|----------------|-------------------------------------------------------------------|-------------------|
| Melrose Park     | Crozier AVE    | Stephen ST to Goodwood RD                                         | Partial           |
| Belair           | Culley AVE     | Belair Rd to Centre Way                                           | Renewal           |
| Cumberland Park  | Cumberland AVE | Winston AV to Goodwood RD                                         | Partial           |
| Daw Park         | Daws Rd        | 147-151 Daws Rd                                                   | Kerbing           |
| Glenalta         | Gannet AVE     | Rosella AV (Nth) to Rosella AV (East)                             | Renewal + upgrade |
| Craigburn Farm   | Grand BLVD     | Grenache CCT to Woodlake DR & Crewell AV roundabout               | Partial           |
| Craigburn Farm   | Highfield DR   | Dunsford ST to Bonython WAY                                       | Partial           |
| Bellevue Heights | Highland DR    | Bellevue DR to Heathfield RD                                      | Partial           |
| Daw Park         | Kingston AVE   | Winston AV to Goodwood RD                                         | Partial           |
| Craigburn Farm   | Laslett CT     | Dunsford ST to Cul-de-sac                                         | Partial           |
| St Marys         | Merriton AVE   | South RD to Thurles ST                                            | Partial           |
| Bellevue Heights | Ridgehaven DR  | Bellevue DR to Highland DR                                        | Partial           |
| Melrose Park     | Rozelle AVE    | South RD to Winston AV                                            | Partial           |
| Pasadena         | Sarnia LA      | Painter ST to Fitzgerald RD                                       | Partial           |
| Belair           | Sheoak RD      | Old Belair RD to James RD (partial) & Burnell DR to Old Belair RD | Renewal           |
| Cumberland Park  | Somerset AVE   | Winston AV to Goodwood RD                                         | Partial           |
| Melrose Park     | Stephen ST     | Corunna Av to Kegworth Reserve                                    | Partial           |
| Clapham          | Strathcona AVE | Springbank RD to Boothby ST                                       | Renewal           |
| Cumberland Park  | Tripoli TCE    | Cumberland AV to Somerset AV                                      | Renewal           |
| Hawthorndene     | Wattle Av      | Hawthorndene Oval                                                 | Kerbing           |
| Mitcham          | Wokurna AVE    | Hill AV to Princes RD                                             | Renewal           |

## 2026/27 Annual Business Plan, Budget & Long-Term Financial Plan

| Suburb                                                             | Road           | Location                                                       | Treatment |
|--------------------------------------------------------------------|----------------|----------------------------------------------------------------|-----------|
| <b>Projects not completed in 2025/26 – Re-budgeted for 2026/27</b> |                |                                                                |           |
| Hawthorndene                                                       | Batley AVE     | Surrey St to Myrtle Rd                                         |           |
| Blackwood                                                          | Coromandel PDE | Brigalow Ave to Cumming St                                     |           |
| Coromandel Valley                                                  | Coromandel PDE | Ewers Av to Boronia Av                                         |           |
| Coromandel Valley                                                  | Coromandel PDE | Garnet Ave to Watts Tce                                        |           |
| Blackwood                                                          | Garnet AVE     | Adey Rd to Coromandel Pde                                      |           |
| Colonel Light Gardens                                              | Grange RD      | Goodwood Rd to Railway Line                                    |           |
| Kingswood                                                          | Harrow TCE     | Cross Rd to Tutt Av                                            |           |
|                                                                    |                |                                                                |           |
| <b>KERB RENEWAL - DESIGN ONLY</b>                                  |                |                                                                |           |
| Blackwood                                                          | Gratton St     | Penno Pde Intersection                                         |           |
| Netherby                                                           | Heather AVE    | Rentoul Av to Waite Rd                                         |           |
| Torrens Park                                                       | Kays RD        | Brook St Intersection                                          |           |
| Cumberland Park                                                    | Kyeema AVE     | Winston AV to Goodwood RD<br>(Including Winston AV roundabout) |           |
| Panorama                                                           | O'Neil ST      | Ottawa Av intersection                                         |           |
| Blackwood                                                          | Winns RD       | Coromandel PDE to Winns Rd                                     |           |
|                                                                    |                |                                                                |           |
| <b>FOOTPATH - RENEWAL</b>                                          |                |                                                                |           |
| Hawthorn                                                           | Abbotshall RD  | Grange Rd to Angas Rd                                          | Renewal   |
| St Marys                                                           | Alfred ST      | Quinlan AV to Lloyd ST                                         | Renewal   |
| Westbourne Park                                                    | Almond GR      | Angas Rd to Constance St                                       | Renewal   |
| Hawthorn                                                           | Belair RD      | Solitair Motors to Hampton St                                  | Renewal   |

## 2026/27 Annual Business Plan, Budget & Long-Term Financial Plan

| Suburb                             | Road             | Location                                                                                                   | Treatment |
|------------------------------------|------------------|------------------------------------------------------------------------------------------------------------|-----------|
| St Marys                           | Benjamin ST      | Daws Rd to Comaum St (Drainage Reserve)                                                                    | Renewal   |
| Clarence Gardens                   | Bideford AVE     | South Rd to Arthur St                                                                                      | Renewal   |
| Clarence Gardens & Cumberland Park | Caulfield AVE    | Lee ST to Goodwood RD                                                                                      | Renewal   |
| Daw Park                           | Day AVE (Island) | Day Ave (West Crescent) to Day Ave (East Crescent)                                                         | Renewal   |
| Bedford Park                       | Edgar ST         | Malcolm St to Driveway Lot 138                                                                             | Renewal   |
| Panorama                           | Florida CT       | Kentucky Reserve to No.8 Florida Ct (Cul-de-sac)                                                           | Renewal   |
| Blackwood                          | Garnet AVE       | Adey Ave to Coromandel Pde                                                                                 | Renewal   |
| Westbourne Park                    | Glenloth AVE     | Angas Rd to Constance St                                                                                   | Renewal   |
| Hawthorn                           | Hale AVE         | Grange Rd to Span cnr block                                                                                | Renewal   |
| Mitcham (MVB)                      | Hoggs RD         | Brown Hill Creek Rd to No.18 Hoggs Rd                                                                      | Renewal   |
| Melrose Park                       | Iris ST          | Bennet Ave to Ferry St                                                                                     | Renewal   |
| Panorama                           | Morshead ST      | Springbank RD to End                                                                                       | Renewal   |
| Mitcham (MVB)                      | Old Belair RD    | Neweys Rd to Tolmer access Rd                                                                              | Renewal   |
| St Marys                           | Osborne ST       | Cashel St to Thurles St                                                                                    | Renewal   |
| Daw Park                           | Perry AVE        | Daws Rd to Day Ave                                                                                         | Renewal   |
| Westbourne Park                    | Robey ST         | Leslie Ave to Constance St                                                                                 | Renewal   |
| Westbourne Park                    | Shearer AVE      | Angas Rd to Constance St                                                                                   | Renewal   |
| Belair                             | Sheoak RD        | Old Belair RD to James Rd                                                                                  | Renewal   |
| Bedford Park                       | Sturt RD         | South RD to Shepherds Hill RD                                                                              | Renewal   |
| Colonel Light Gardens              | The Strand       | Picadilly Crs to West Parkway                                                                              | Renewal   |
| Clarence Gardens                   | Thomas ST        | South Rd to Arthur St                                                                                      | Renewal   |
| Various                            | Various          | Ramps - Hampton st Bridge 4 ramps and landings (\$25,000), Mitcham Village Kindergarten DDA Car Park Ramp, | Renewal   |

## 2026/27 Annual Business Plan, Budget & Long-Term Financial Plan

| Suburb                                                             | Road                                          | Location                                            | Treatment    |
|--------------------------------------------------------------------|-----------------------------------------------|-----------------------------------------------------|--------------|
|                                                                    |                                               | Albert/Kyeema Intersection,<br>Tiwu Car Park Access |              |
| Mitcham                                                            | Waverley ST                                   | Hill St to Haig St                                  | Renewal      |
| Colonel Light Gardens                                              | West Parkway                                  | Colonel Light Gardens Hall                          | Renewal      |
| <b>Projects not completed in 2025/26 – Re-budgeted for 2026/27</b> |                                               |                                                     |              |
| Urrbrae                                                            | Walkway (Birksgate Dr / Barr-Smith Dr)        |                                                     | Renewal      |
| Pasadena                                                           | Painter ST                                    | 1-3 Painter St to Fiveash Dr                        | Renewal      |
| Blackwood                                                          | Trevor TCE - Reserve<br>(Blackwood Hill Oval) |                                                     | Renewal      |
|                                                                    |                                               |                                                     |              |
| <b>CARPARKS - RENEWAL</b>                                          |                                               |                                                     |              |
| Colonel Light Gardens                                              | 53 West Parkway                               | West Parkway                                        | Reseal       |
| Daw Park                                                           | Daws Rd                                       | 147-151 Daws Rd                                     | Recon        |
| Blackwood                                                          | Hewetts Sports Grounds                        | Coromandel Parade                                   | Asphalt Seal |
| Hawthorndene                                                       | Wattle Av                                     | Hawthorndene Oval                                   |              |
| <b>Projects not completed in 2025/26 – Re-budgeted for 2026/27</b> |                                               |                                                     |              |
| Mitcham                                                            | Sturt Baseball Club                           | Norman Reserve                                      |              |
| Blackwood                                                          | Garnet Av                                     | Hewetts Sports Grounds                              |              |
| Eden Hills                                                         | Karinya Reserve - Rear Car Park               |                                                     |              |
|                                                                    |                                               |                                                     |              |
| <b>CAR PARK RENEWAL - DESIGN ONLY</b>                              |                                               |                                                     |              |
| Bellevue Heights                                                   | Adjacent to tennis Club,<br>Sergent Pde       | Sargent Parade                                      |              |
| Colonel Light Gardens                                              | Freeling Cres                                 | Mortlock Park                                       |              |

## 2026/27 Annual Business Plan, Budget & Long-Term Financial Plan

| Suburb                                                             | Road                                  | Location                             | Treatment |
|--------------------------------------------------------------------|---------------------------------------|--------------------------------------|-----------|
| <b>Projects not completed in 2025/26 – Re-budgeted for 2026/27</b> |                                       |                                      |           |
| Leawood Gardens                                                    | Mt Barker Rd                          | Pastor Caval Lookout                 |           |
|                                                                    |                                       |                                      |           |
| <b>RETAINING WALLS - DESIGN ONLY</b>                               |                                       |                                      |           |
| Various                                                            | Various Retaining Wall Designs        |                                      |           |
|                                                                    |                                       |                                      |           |
| <b>STORMWATER - RENEWAL</b>                                        |                                       |                                      |           |
| Various                                                            | Various                               | Various                              |           |
| <b>Projects not completed in 2025/26 – Re-budgeted for 2026/27</b> |                                       |                                      |           |
| Colonel Light Gardens                                              | Grange Rd                             | Goodwood Rd to Railway Crossing      |           |
|                                                                    |                                       |                                      |           |
| <b>BUS SHELTERS - RENEWAL</b>                                      |                                       |                                      |           |
| Colonel Light Gardens                                              | Springbank Rd                         | Stop 18D - Springbank Rd - Eastbound |           |
|                                                                    |                                       |                                      |           |
| <b>OPEN SPACE RENEWAL - ENVIRONMENTAL AND WASTE</b>                |                                       |                                      |           |
| Various                                                            | Backflow Prevention Device Renewal    |                                      |           |
| Panorama                                                           | CC Hood Irrigation Renewal            |                                      |           |
| St Marys                                                           | Donald St Reserve Irrigation Renewal  |                                      |           |
| Bellevue Heights                                                   | Donnybrook Reserve Irrigation Renewal |                                      |           |

## 2026/27 Annual Business Plan, Budget & Long-Term Financial Plan

| Suburb                                                             | Road                                       | Location                                                             | Treatment |
|--------------------------------------------------------------------|--------------------------------------------|----------------------------------------------------------------------|-----------|
| Colonel Light Gardens                                              | Kent Rd Reserve Irrigation Renewal         |                                                                      |           |
| Melrose Park                                                       | Skitch Reserve Irrigation Renewal          |                                                                      |           |
| Pasadena                                                           | Thiselton Reserve Irrigation Renewal       |                                                                      |           |
| St Marys                                                           | Thurles St Reserve Irrigation Renewal      |                                                                      |           |
| <b>Projects not completed in 2025/26 – Re-budgeted for 2026/27</b> |                                            |                                                                      |           |
| Pasadena                                                           | Naomi Reserve - Irrigation System Renewal  |                                                                      |           |
| Kingswood                                                          | Balham Reserve - Irrigation System Renewal |                                                                      |           |
|                                                                    |                                            |                                                                      |           |
| <b>OPEN SPACE RENEWAL - FENCES</b>                                 |                                            |                                                                      |           |
| Various                                                            | 50/50 Fencing Contributions                |                                                                      |           |
| Eden Hills                                                         | Ellis Reserve                              | Permapine log and rail fence along Hillcrest Drive                   |           |
| Glenalta                                                           | Minnow Reserve                             | Fencing Renewal                                                      |           |
| Belair                                                             | Windy Point Reserve                        | Timber post fence with wire mesh inserts on southern side of carpark |           |
|                                                                    |                                            |                                                                      |           |
| <b>OPEN SPACE RENEWAL - FURNITURE</b>                              |                                            |                                                                      |           |
| Colonel Light Gardens                                              | Mitcham Army Camp Reserve (Doncaster Ave)  | Fence and bench renewal                                              |           |
| <b>Projects not completed in 2025/26 – Re-budgeted for 2026/27</b> |                                            |                                                                      |           |
| Hawthorndene                                                       | Hawthorndene Sports Ground                 | Seat and bike rack replacement                                       |           |
|                                                                    |                                            |                                                                      |           |
| <b>OPEN SPACE RENEWAL - PLAYGROUNDS</b>                            |                                            |                                                                      |           |

## 2026/27 Annual Business Plan, Budget & Long-Term Financial Plan

| Suburb                                                             | Road                      | Location                                          | Treatment |
|--------------------------------------------------------------------|---------------------------|---------------------------------------------------|-----------|
| Clarence Gardens                                                   | AA Bailey Reserve         | Partial Playground Renewal                        |           |
| Blackwood                                                          | Blackwood Oval            | Playground Renewal                                |           |
| Westbourne Park                                                    | Batchelor Reserve         | Playground Renewal                                |           |
|                                                                    |                           |                                                   |           |
| <b>OPEN SPACE RENEWAL - SPORT &amp; RECREATION</b>                 |                           |                                                   |           |
| St Marys                                                           | St Marys Park             | Basketball Court and Ring                         |           |
| <b>Projects not completed in 2025/26 – Re-budgeted for 2026/27</b> |                           |                                                   |           |
| Hawthorndene                                                       | Apex Park                 |                                                   |           |
| Netherby                                                           | Netherby Reserve          | Tennis Court Resurfacing                          |           |
| Hawthorn                                                           | Price Memorial Oval       | Centre Wicket                                     |           |
|                                                                    |                           |                                                   |           |
| <b>OPEN SPACE RENEWAL – STRUCTURES</b>                             |                           |                                                   |           |
| Hawthorn                                                           | Soldiers Memorial Gardens | Flagpole                                          |           |
|                                                                    |                           |                                                   |           |
| <b>OPEN SPACE RENEWAL - DESIGN</b>                                 |                           |                                                   |           |
| Eden Hills                                                         | Gibb Park                 | Tennis Court Design                               |           |
| Blackwood                                                          | Hewett Sports Ground      | Tennis Court and Fencing Design (Courts 7, 8 & 9) |           |
| Eden Hills                                                         | Karinya Reserve           | Playground Design                                 |           |
| Mitcham                                                            | McElligotts Reserve       | Fencing design                                    |           |
| Craigburn Farm                                                     | Minda Farm Reserve        | Playground Design                                 |           |
| Cumberland Park                                                    | Tweed Reserve             | Fencing & Lighting Design - Aligned with club     |           |
|                                                                    |                           |                                                   |           |
| <b>COMMUNITY BUILDINGS - RENEWAL</b>                               |                           |                                                   |           |

## 2026/27 Annual Business Plan, Budget & Long-Term Financial Plan

| Suburb                                                             | Road                             | Location                                                                                                 | Treatment |
|--------------------------------------------------------------------|----------------------------------|----------------------------------------------------------------------------------------------------------|-----------|
| Lower Mitcham                                                      | Mitcham Community Centre         | Paint Finish, Split Air Con Renewal, Ceiling Works                                                       |           |
| Hawthorn                                                           | Mitcham Memorial Library         | Paint Finish, Carpet, FIP, LED Light Upgrades, Access & Egress, Alarm Panel, smoke detectors, stormwater |           |
| Mitcham                                                            | Mitcham Village Institute        | Paint Finish, Carpet, FIP, LED Light Upgrades, Access & Egress, Alarm Panel                              |           |
| Colonel Light Gardens                                              | Mortlock Park Scout Hall         | Paint Finish, Access and Egress, DDA Upgrades, Structural Remediation                                    |           |
| <b>Projects not completed in 2025/26 – Re-budgeted for 2026/27</b> |                                  |                                                                                                          |           |
| Cumberland Park                                                    | Cumberland Park Community Centre | Switchboard upgrade and                                                                                  |           |
| Torrens Park                                                       | Mitcham Railway station          | Painting work, make safe works, DDA                                                                      |           |
| Belair                                                             | Belair Community Centre          | DDA upgrades, roof renewal, emergency exit                                                               |           |
| Mitcham                                                            | Mitcham Village Kindergarten     | Roof renewal, Verandah                                                                                   |           |
| Kingswood                                                          | Mitcham RSL                      | Roof Renewal                                                                                             |           |
| Various                                                            | Roof Safety System Updates       |                                                                                                          |           |
|                                                                    |                                  |                                                                                                          |           |
| <b>OPERATIONAL BUILDINGS - RENEWAL</b>                             |                                  |                                                                                                          |           |
| <b>Projects not completed in 2025/26 – Re-budgeted for 2026/27</b> |                                  |                                                                                                          |           |
| Lynton                                                             | Lynton Depot                     | Amenities building - DDA upgrade, painting                                                               |           |
| Melrose Park                                                       | Depot - Administration building  | Toilet Upgrades, mechanic                                                                                |           |
| Melrose Park                                                       | Depot - Stores building          | DDA upgrades, lighting upgrades                                                                          |           |

## 2026/27 Annual Business Plan, Budget & Long-Term Financial Plan

| Suburb                                                             | Road                                         | Location                                                                                | Treatment |
|--------------------------------------------------------------------|----------------------------------------------|-----------------------------------------------------------------------------------------|-----------|
| <b>SPORT &amp; RECREATIONAL BUILDINGS - RENEWAL</b>                |                                              |                                                                                         |           |
| Clarence Gardens                                                   | AA Bailey Spectator Stand                    | Bench Seation, Roof Renewal, Structure and Framing Renewal                              |           |
| Colonel Light Gardens                                              | Colonel Light West Tennis Club               | Verandah renewal, LED Lighting upgrades, split AC Renewal, Flooring and Window Renewals |           |
| Eden Hills                                                         | Karinya Reserve Sturt Lions Clubrooms        | Air Compressor Renewal, Air Con, CCTV and painting                                      |           |
| Clarence Gardens                                                   | Southern Suburbs Rugby Clubrooms             | Changeroom Upgrades, Air Con Renewal, Roof Renewal                                      |           |
| <b>Projects not completed in 2025/26 – Re-budgeted for 2026/27</b> |                                              |                                                                                         |           |
| Colonel Light Gardens                                              | Reade Park Croquet Club                      | DDA upgrades, toilet renewal, air con                                                   |           |
| Kingswood                                                          | Kingswood Tennis Club Clubroom Redevelopment |                                                                                         |           |
| Lower Mitcham                                                      | Denman Tennis Club                           | Toilet Renewal and Accessibility Works                                                  |           |
| Hawthorn                                                           | Price Memorial Oval                          | Mitcham Football Club - Toilet Renewal                                                  |           |
| Blackwood                                                          | Blackwood Football Club                      | DDA toilet and accessibility upgrade                                                    |           |

| <b>Details</b>                  |  |  |  |
|---------------------------------|--|--|--|
| <b>Major Plant - Renewal</b>    |  |  |  |
| B406 - Mitsubishi Rosa Bus      |  |  |  |
| B407 - EV Skywell EC-11 Minibus |  |  |  |

## 2026/27 Annual Business Plan, Budget & Long-Term Financial Plan

|                                                                    |  |  |  |
|--------------------------------------------------------------------|--|--|--|
| D209 - Isuzu NPR 75-190 Play Grounds Tipper                        |  |  |  |
| D210 - Fuso Fighter Truck Civil Tipper                             |  |  |  |
| D213 - Isuzu NPR-190 Parks & Garden Crew Tipper                    |  |  |  |
| D216 - Isuzu NPR 75-190 MWB Parks & Gardens                        |  |  |  |
| D221 - Isuzu NPR 75-190 MWB Tipper                                 |  |  |  |
| D240 - Isuzu NPR75-190 Water Tank Garden Beds                      |  |  |  |
| D329 - Case Skid Steer SV185                                       |  |  |  |
| T120 - Trailer Hydralada                                           |  |  |  |
| VM03 - Steam Cleaner                                               |  |  |  |
| VM530 - Hydralada Maxi 540 EWP                                     |  |  |  |
| VM534 - Bandit 15XPC15"                                            |  |  |  |
| <b>Projects not completed in 2025/26 – Re-budgeted for 2026/27</b> |  |  |  |
| D204 - Isuzu FRR600 Medium Flocon                                  |  |  |  |
| T031 - Trailer Hydralada                                           |  |  |  |
|                                                                    |  |  |  |
| <b>Major Light Fleet - Renewal</b>                                 |  |  |  |
| D146 - Isuzu D-Max Ute 2 years Comm                                |  |  |  |
| D148 - Mitsubishi Triton 2 years Comm                              |  |  |  |
| D153 - Isuzu D-max ute 3 years                                     |  |  |  |
| D154 - Ford Ranger Ute 3 years                                     |  |  |  |

## 2026/27 Annual Business Plan, Budget & Long-Term Financial Plan

|                                                                    |  |  |  |
|--------------------------------------------------------------------|--|--|--|
| D159 - Ford Ranger Ute 3 years                                     |  |  |  |
| D161 - Mitsubishi Triton ute 2 years Comm                          |  |  |  |
| D163 - Ford Ranger 3 years                                         |  |  |  |
| D166 - Isuzu D-max ute 3 years                                     |  |  |  |
| D170 - Ford Ranger Ute 3 years                                     |  |  |  |
| D178 - Isuzu D-max ute 3 years                                     |  |  |  |
| D186 - Mitsubishi Triton ute 3 years                               |  |  |  |
| D189 - Mitsubishi Triton ute 2 years                               |  |  |  |
| VARIOUS - Various Small Plant                                      |  |  |  |
| <b>Projects not completed in 2025/26 – Re-budgeted for 2026/27</b> |  |  |  |
| 718 - Isuzu D-Max 2 years 2 years Comm                             |  |  |  |
| D155 - Subaru Outback 2 years                                      |  |  |  |
| 704 - Hyundai ioniq EV                                             |  |  |  |
|                                                                    |  |  |  |
| <b>Minor Light Fleet - Renewal</b>                                 |  |  |  |
| 703 - Mitsubishi Eclipse 2 years                                   |  |  |  |
| 713 - Subaru Crosstrek 2 years                                     |  |  |  |
| 717 - Mitsubishi Outlander 2 years                                 |  |  |  |
| 725 - Subaru Forester 2 years                                      |  |  |  |
| 727 - Mazda CX5 2 years                                            |  |  |  |
| D151 - Subaru Forester 2 years                                     |  |  |  |
| D174 - Subaru Outback 2 years                                      |  |  |  |

## 2026/27 Annual Business Plan, Budget & Long-Term Financial Plan

|                                                   |  |  |  |
|---------------------------------------------------|--|--|--|
|                                                   |  |  |  |
| <b>OFFICE FURNITURE &amp; EQUIPMENT - RENEWAL</b> |  |  |  |
| Civic, Depot, Libraries                           |  |  |  |
| Community Facilities                              |  |  |  |
|                                                   |  |  |  |
| <b>INFORMATION &amp; TECHNOLOGY - RENEWAL</b>     |  |  |  |
| Desktops                                          |  |  |  |
| Laptops                                           |  |  |  |
| Mobile Phones                                     |  |  |  |
| Monitors                                          |  |  |  |
| Peripherals/Projectors                            |  |  |  |
| Small Projects                                    |  |  |  |
| Tablets                                           |  |  |  |

## Appendix 3: Rating Policy 2026/27

### 1. PREAMBLE

Council's powers to raise rates are found in Chapter 10 of the *Local Government Act 1999* ("the Act"). The Act provides the framework within which the Council must operate, but also leaves room for the Council to make a range of policy choices. Council is required to comply with the requirements of the Act and in particular Section 123.

Rates are not fees for services. They constitute a system of taxation for Local Government purposes; Local Government functions are defined broadly in the Act. All systems of taxation try to balance various principles of taxation.

In addition to rates, Council also raises some revenue through:

- Statutory Charges;
- Optional user charges (eg hire of community facilities);
- Expiation fees (eg for parking infringements);
- Grants, subsidies and contributions; and
- Investment Income;

### 2. PURPOSE

To set out Council's rating structure and policy for the financial year and the principles used by Council in determining the rating policy for the 2026/2027 financial year.

### 3. SCOPE

All land within the Council area, except for land specifically exempt (eg Crown Land, Council occupied land and other

limited categories as set out at Section 147 of the Act) is rateable.

### 4. DEFINITIONS

This Policy represents the Council's commitment to balancing the five main principles of taxation:

- (i) Capacity to pay: This principle suggests that a person who has less capacity to pay should pay less and that persons of similar means should pay similar amounts.
- (ii) Benefits received (ie services provided, or resources consumed): Reliance on this principle suggests that (all other things being equal) a person who receives more benefits should pay a higher share of tax. This is not to suggest that the *benefit* must be equivalent to the tax paid. The tax paid by an individual is not a 'fee for service'. To some extent, every action of Council affects the amenity of life of individual taxpayers; however, the totality of services provided by Council act to maintain and enhance the value of all properties in the Council area.
- (iii) Administrative simplicity: This principle refers to the costs involved in applying and collecting the tax and how difficult it is to avoid.
- (iv) Economic efficiency: This refers to whether or not the tax distorts economic behaviour.
- (v) Policy consistency: This principle is that taxes should be internally consistent and based on transparent, predictable rules that are understandable and acceptable to taxpayers.

### 5. PRINCIPLES

To ensure the fair and equitable assessment and collection of Council rates from ratepayers.

### 6. POLICY STATEMENT

In determining its rating structure Council has taken into account the impact on Council's Strategic Management Plans, Annual Business Plan and Long-Term Financial Plan and:

- the competing demands of community priorities identified through the consultation process, (ie the imperative of maintaining existing infrastructure);
- its role as custodian of significant community assets held and managed on behalf of the local community and future generations;
- the need for significant capital works to replace and upgrade infrastructure assets;
- the obligation to operate as effectively and efficiently as possible;
- the need to reassess the use and viability of community facilities; and
- the impact of rates on all sectors of the community (householders and businesses) based on factors, such as:
  - the broad principle that the rate in the dollar should be the same for all properties, except where there is either a different level of services available to ratepayers, or some other circumstance exists which warrants variation from the broad principle. Council has addressed this through the application of differential rates on commercial, industrial and

vacant land uses – refer to the section entitled “Differential Rates”;

- the fact that community surveys show a clear preference that service levels not be reduced in order to contain rate increases; and
- that while Council is committed to minimising rate increases, its priority is striking a rate which maintains community assets and existing services in an equal or better condition.

### 6.1 Valuation

#### Method of Valuation

Council may adopt one of two valuation methodologies to value land in its area. They are:

- Capital Value: the value of the land and all improvements on the land.
- Annual Value: valuation of the rental potential of the property.

The Council has decided to continue to use capital value as the basis for valuing land within the Council area. The Council considers that this method of valuing land provides the fairest method of distributing the rate burden across all ratepayers, on the following basis:

- the equity principle of taxation requires that ratepayers of similar wealth pay similar taxes and ratepayers of greater wealth pay more tax than ratepayers of lesser wealth;

- property value is a relatively good indicator of wealth and capital value, which closely approximates the market value of a property and provides the best indicator of overall property value; and
- the distribution of property values throughout the Council area is such that few residential ratepayers will pay an increase significantly greater than the increase in average rates.

### Adoption of Valuations

Council adopts the rate in the dollar based on valuations made by the Valuer-General as provided to Council on Sunday 21 June 2026. If a ratepayer is dissatisfied with the valuation made by the Valuer-General, the ratepayer may object to the Valuer-General in writing, within 60 days of receiving the notice of the valuation, explaining the basis for the objection, provided they have not:

- (a) 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
- (b) previously had an objection to the valuation considered by the Valuer-General.

It is to be noted, however, that regardless of the 60 day limitation period for lodging an objection to the valuation, the Valuer-General may, for good reason, determine to accept an objection lodged outside this time period. Objections must be lodged within the same financial year to which they relate.

The address of the Office of the Valuer-General is:

State Valuation Office  
GPO Box 1354  
ADELAIDE SA 5001  
Email: [OVGObjections@sa.gov.au](mailto:OVGObjections@sa.gov.au)  
Phone: 1300 653 346

Please note that Council has no role in this process. It is also important to note that the lodgement of an objection does not change the due date for the payment of rates.

### Notional Values

Certain properties may be eligible for a notional value under the Valuation of Land Act 1971 where the property is the principal place of residence of a ratepayer. This can relate to certain primary production land or where there is State heritage recognition. A notional value is generally less than the capital value and this will result in reduced rates, unless the minimum amount payable by way of general rates already applies. Application for a notional value must be made to the State Valuation Office.

## 6.2 Council's Revenue Raising Powers

All land within the Council area, except for land specifically exempt (e.g. Crown land, Council occupied land and other land prescribed in the Act (Section 147), is rateable. The Act provides for the Council to raise revenue for the broad purposes of the Council through a general rate, which applies to all

rateable properties, or through differential general rates, which apply to classes of properties.

In addition, Council can raise separate rates for specific areas of the Council. It can also raise service rates or charges for specific services. Council also raises revenue through fees and charges that are set in consideration of the cost of the service provided and any equity issues.

The list of applicable fees and charges is available at the City of Mitcham offices, the Mitcham Library and the Blackwood Library.

### **Land Against Which Rates May Be Assessed**

Rates are assessed as follows:

- against any piece or section of land subject to separate ownership or occupation;
- against all land subject to separate occupation (eg tenancy apportionments in a shopping centre or units) will be subject to a separate assessment;
- against any aggregation of contiguous land subject to the same ownership or occupation; and / or
- against all contiguous land (ie a house with an adjoining allotment used as part of the residential property or two shops being used as one) will be assessed as being contiguous and therefore will not attract a minimum rate.

Council relies on information from the Valuer-General for this process.

### **6.3 Differential Rates**

The Act allows the Council to 'differentiate' rates based on the use of land, the locality of land, the use and locality of the land combined or on some other basis determined by Council. The City of Mitcham applies different rates on the basis of land use.

For 2026/27, Council has reviewed its differential rates and determined that the rate increase for commercial and industrial properties will remain consistent with the general rate increase of 6.38%. Capping provisions of 12.5% apply to all eligible properties.

The following differential general rates will apply for 2026/27:

- 0.209400 cents in the dollar on the capital value of rateable land of Residential, Primary Production and Other land uses.
- 0.523291 cents in the dollar on the capital value of rateable land in Commercial – Shop, Commercial – Office, Commercial – Other, Industry – Light, Industry – Other and Vacant Land uses.

Land use, as determined in the *Local Government (General) Regulations 2013* under the Act is used as the factor to apply differential rates. Land that has been identified (coded) by the Valuer-General as vacant land, and is contiguous to a residential dwelling, will be rated at the general rate applied to

residential properties if it is owned by the same owner and occupied by the same occupier. Vacant land that is contiguous to a non-residential property will be rated according to the predominant use of the whole of the land.

If ratepayers believe that a particular property has been incorrectly classified as to its land use, then they may object (to Council) to that land use within 60 days of being notified. A ratepayer may discuss the matter with a Rates Officer on 1300 133 466 in the first instance. Council will provide, on request, a copy of Section 156 of the Act, which sets out the rights and obligations of ratepayers in respect of objections to a land use classification.

Objections to Council's decision may be lodged with the Chief Executive Officer, City of Mitcham, PO Box 21, Mitcham Shopping Centre, Torrens Park, SA 5062, or emailed to [mitcham@mitchamcouncil.sa.gov.au](mailto:mitcham@mitchamcouncil.sa.gov.au). The objection must be made within 60 days of receiving notice of the land use classification and must set out the basis for the objection and details of the land use classification that (in the opinion of the ratepayer) should be attributed to that property.

Council also may, for good reason, accept an objection to a land use attribution outside of the 60 day period. Objections must be lodged within the same financial year to which they relate.

Council will make a decision on the objection as it sees fit and will then notify the ratepayer.

A ratepayer also has the right to appeal against Council's decision to the Land and Valuation Court. It is important to note that the lodgement of an objection does not change the due date for payment of rates.

### 6.4 Minimum Rate

Section 158 of the Act provides that Council may fix a minimum amount payable by way of rates (a minimum rate).

Council believes that the adoption of a minimum rate recognises that each rateable property within the Council area benefits from a minimal level of service and should therefore make a minimum level of contribution.

The minimum rate is levied against the whole of an allotment (including land under a separate lease or licence) and only one minimum rate is levied against two or more pieces of adjoining land owned by the same owner and occupied by the same occupier. The reasons for imposing a minimum rate are that Council considers it appropriate that all rateable properties make a contribution to:

- the cost of administering the Council's activities; and
- the cost of creating and maintaining the physical infrastructure that supports and underpins the value of each property.

Council has adopted a policy of setting its minimum rate at a level not exceeding 65% of the average rate

of all rateable properties. The minimum rate for 2026/27 has been set at \$1,536.00. With an average rate of all rateable properties for 2026/27 of \$2,767 the minimum rate represents 55% of the average rate of all rateable properties.

The minimum rate will affect 14% of rateable properties, which is within the legislated limit of 35%.

### 6.5 Landscape Levy

The Council is in the Green Adelaide Landscape Management Region and is required under the *Landscape South Australia Act 2019* to fund the operations of the Green Adelaide Board. For 2026/27 the Board has advised Council that the amount of \$2,077,627 is required to be collected from ratepayers.

The Council will do so by imposing a separate rate against all rateable properties in the Council area. Council is operating as a revenue collector for the Green Adelaide Landscape Board in this regard and does not retain this revenue

### 6.6 Business Impact Statement

Council considers the impact of rates on all businesses in the Council area. In doing so, Council considers and assesses the following matters:

- the demand made on Council services by commercial and industrial users as a proportion of rate revenue;

- Council's Strategic Management Plan and those priorities relating to business development mentioned above;
- specific Council projects for the coming year that will solely or principally benefit businesses;
- preference for local suppliers where price, quality and service provision are comparable to suppliers outside the Council area;
- changes in the valuation of commercial and industrial properties in comparison to residential properties.

### 6.7 Rebates, Capping and Remissions

The Act requires Council to rebate rates payable on specific uses of land. Further information is set out in Attachment 3 to this Policy.

#### Rate Capping

Rate Capping provides relief against what would otherwise amount to a substantial change in rates payable from one year to the next, due to rapid changes in valuation or changes in Council policy. A rate capping rebate will be applied to all properties under Section 166(1) (I) of the Act. The rate capping rebate will be applied either by Council of its own initiative, where the Council is in possession of sufficient information to determine entitlement to the rebate, or otherwise on application to Council.

A rebate will be granted, subject to the eligibility criteria below, such that the increase in rates payable in any one year is limited to a maximum of 12.5%. Rate capping rebates will not be subject to a formal application and will be deducted from the first rate

notice. If ratepayers believe they are eligible for a rate capping rebate and it has not been automatically granted, an application can be made by 31 December 2026 for the 2026/27 financial year.

The rate capping rebate will not apply, and therefore the full rates amount will be payable, where:

- any such increase in general rates is due or partly due to an increase in valuation of the land in the assessment because of significant capital improvements on the property (development) worth more than \$25,000;
- any such increase in general rates is due or partly due to a change in land use for the land in the assessment between that declared for the 2026/27 financial year and that declared for the prior financial year;
- the ownership of the rateable property has changed since 1 July 2025.

The Capping Rebate will not apply where a Mandatory or Discretionary rebate has already been applied.

Rate capping for residential properties (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 increases should be capped at a level that minimises the impact to a reasonable level.

For Vacant Land, the rate capping rebate will not apply and, therefore, the full rates amount will be payable, where the Vacant Land has not been rated previously, (ie new land division).

The rate capping rebate will be calculated based on the amount of general rates payable in 2025/26 (inclusive of any capping) and will exclude the Landscape Levy and any Separate rates applicable.

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 capping rebate 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 capping rebate may lodge an application form, which will be assessed against the eligibility criteria. Council rebates or remissions are not included in the capping calculation process. The application must be lodged by 31 December 2026.

### **Vacant Land Rebate (Discretionary Rebate)**

Council has agreed to apply a rebate on Vacant Land, where the land use has changed in any given financial year from Residential land use to Vacant Land. The

rebate will apply within the first 12 months to the residential rate in the dollar adopted for properties that become vacant land and will be applied either by Council of its own initiative, where the Council is in possession of sufficient information to determine entitlement to the rebate, or otherwise on application to Council.

Under Section 166 (1) (a) of the Act, and for the purpose of securing the proper development of the area, a discretionary rebate of general rates for the 2026/27 financial year will be granted in respect of an Assessment attributed as vacant land where:

- The Land Use is noted as Residential or Primary Production by the Valuer-General in the preceding year following a subdivision/development and the Council attributed the land use as Residential or Primary Production.
- The actual use of the land has changed to Vacant Land and the Valuer-General has determined a Vacant Land use code to the land in the following year and the Council has also attributed a rate in the dollar for Vacant Land.
- The principal ratepayer applies in writing prior to 31 December 2026 for a rebate for the current year, confirming that the property will be their principal place of residence on completion of any development. The Council may consider any application received after 31 December 2026 for the 2026/27 financial year, but reserves its right to refuse to consider applications received after this date.

- The rebate will only apply for a maximum period of 12 months in the (same) financial year.
- The property will be re-assessed the following financial year - If the use of the land is still classified as Vacant Land by the Valuer-General and the Council also attributes this land use, then the rate in the dollar for Vacant Land will apply.
- Refer to the Residential Construction Rebate beyond the first 12 months.

### **Residential Construction on Vacant Land (Discretionary Rebate)**

Under Section 166 (1) (a) of the Act, and for the purpose of securing the proper development of the area, a discretionary rebate of general rates for the 2026/27 financial year will be granted in respect of an Assessment classed as vacant land where the:

- Principal Ratepayer of the Assessment applies to the council, in writing, for the rebate prior to 30 June 2027;
- Foundations or slab have been laid on the property by 30 June 2027, proof of the date the footings were laid must accompany the application;
- Principal Ratepayer has confirmed, in writing, that the property will be their principal place of residence upon completion.

Land which has been subdivided in the current or preceding financial year will not be eligible for the rebate.

The amount of the rebate will be based on:

- The difference between the general rate in the dollar applicable to Vacant land, and the general rate in the dollar applicable to Residential land; and
- The number of days remaining between 1 July 2026 and 30 June 2027 from the date footings are poured for a residence on the land. The rebate will not fall below the Minimum Rate.

### **Community Services Rebate for Scout and Guide Halls**

Under Section 166 (1)(j) rateable properties with a land use classification as Boy Scout Hall or Girl Guide Hall would be considered by Council to be providing a benefit or service to the local community and will be rebated at 100%.

### **Remission of Rates**

Section 182 of the Act permits Council, on the written application of a ratepayer, to partially or wholly remit rates and charges, fines and interest or to postpone rates on the basis of hardship. Where a ratepayer is suffering hardship in paying rates he/she is invited to contact the Senior Rating Services Officer on 1300 133 466 to discuss the matter. Such enquiries are treated confidentially by the Council.

### **Flexible Rate Payments Scheme**

Any ratepayer who may, or is likely to experience difficulty in meeting the standard payment arrangements of Council, is invited to contact a Rating

Services Officer to discuss alternative payment arrangements. Late payment fines and interest may apply. All such enquiries will be treated confidentially by Council.

### **Rate Deferral Scheme**

Section 182(1)(a) and (2) of the Act provides for the postponement of rates if Council is satisfied that the payment of these rates would cause hardship.

Council may, on written application and subject to a ratepayer substantiating the hardship to the satisfaction of Council, consider granting a postponement of payment of rates in respect of an assessment on the condition that a ratepayer agrees to pay interest on the amount affected by the postponement at the "prescribed percentage" as defined in the Act and that the ratepayer also satisfies the following criteria:

- a) the property is the principal place of residence of the ratepayer and is the only property owned by the ratepayer; and
- b) the property has been owned by the ratepayer:
  - i. for a minimum of 10 years; or
  - ii. for a minimum of five years with an immediately previous continuous ownership within the City of Mitcham of five years as the principal place of residence; and
- c) the ratepayer is able to satisfy one of the following:
  - i. produce a Pension Card from Centrelink; or
  - ii. produce a Pension Card from Veteran Affairs; or

- iii. produce a TPI Pension Card from Veteran Affairs; or
- iv. can demonstrate to Council that he/she is a self-funded retiree and is earning less than \$25,000 per annum.

### **Postponement of Rates Scheme for State Seniors Card Holders**

Section 182A of the Act provides for postponement of rates on the principal place of residence by seniors who meet the eligibility criteria, make application and hold a current Seniors Card. The amount which can be postponed is any amount greater than \$500 (\$125 per quarter). In accordance with Section 182A (12) of the Act, interest will accrue on the postponed balances at a rate which is 1% above the cash advance debenture rate. The accrued debt is payable on the disposal or sale of the property. Further information is set out in Attachments 1 and 2 to this policy.

## **6.8 Payment of Rates**

### **Frequency of Payment of Rates**

Council rates are due quarterly on:

- 15 September 2026,
- 15 December 2026,
- 15 March 2027, and
- 15 June 2027.

Council offers a discount of 1%, off the amount of general rates (excluding State Landscape Levy), for

the payment of the full year's rates by 15<sup>th</sup> of September 2026.

### **Electronic Rate Notices**

Rate Notices can be received through email or through your financial institution.

To receive notices by Electronic Mail (Email) please sign up by going to [mitchamcouncil.enotices.com.au](mailto:mitchamcouncil.enotices.com.au) and enter your email address and the unique code shown on your latest rates notice.

Rate Notices can be received electronically through your financial institution by registering for BPAY View. There is no obligation to pay through BPAY. Ratepayers should contact their bank for further information.

A paper bill will not be issued once ratepayers have signed up to one of these services.

## **Methods of Paying Rates**

### **Direct debit**

Payment can be debited from a nominated bank account on the due date of rates or the following banking business day. This will only be for the normal annual or quarterly amounts (as selected on your Direct Debit Request Form) and any arrears will need to be brought up to date via an alternate payment method prior to the quarterly debit date.

### **BPAY**

Payment may be made by phone or the internet through a bank, Credit Union or Building Society. A

financial institution must be contacted to make this payment from cheque, savings or credit card accounts.

### **Australia Post**

Payment may be made at any Australia Post Office with a “One Stop Bill Pay” service. Ratepayers should present the notice at the Post Office.

### **Centrepay**

Centrepay is a direct bill paying service offered to customers receiving payments from Centrelink. The rate payment is deducted from the ratepayer's Centrelink payment before it goes into their bank. The minimum payment amount is \$10 per fortnight. Ratepayers should call Centrelink on their normal payment number or register online. Forms are also available from Council.

### **Telephone**

Payment may be made by calling 1300 276 468 for an Interactive Voice Response (IVR) Service. This payment option is by credit card only.

### **Internet**

Payment may be made via the internet by accessing Council's website at [www.mitchamcouncil.sa.gov.au](http://www.mitchamcouncil.sa.gov.au), selecting “Pay my rates” on the home screen and following the prompts. This payment option is by credit card only.

### **Mail**

By Cheque only, made payable to: City of Mitcham and marked ‘Not Negotiable’. Ratepayers should attach the tear off slip and send to:

City of Mitcham  
PO Box 21  
Mitcham Shopping Centre  
TORRENS PARK SA 5062

Receipts will not be issued unless requested.

### **In Person**

Ratepayers should present the rate notice at the Customer Service Centre:

City of Mitcham  
131 Belair Road  
TORRENS PARK SA 5062

EFTPOS and credit card facilities are available at the Council Office. Debit Cards, Visa and MasterCard may be used, however, no cash out facility is available.

Any ratepayer who may, or is likely to, experience difficulty with meeting the standard payment arrangements is invited to contact Rating Services to discuss alternative payment arrangements. Such enquiries are treated confidentially by Council.

### **Late Payment of Rates**

The Act provides that the Council imposes a penalty of a 2% fine on any payment for rates, whether instalment or otherwise, that is received late. A

payment that continues to be late is then charged a prescribed interest rate, set each year according to the below formula in the Act for each month the rates remain unpaid.

*prescribed rate* is an amount calculated as follows:

$$P = \frac{CADR + 1\%}{12}$$

where—

*P* is the prescribed rate

*CADR* is the cash advance debenture rate for any relevant financial year;

The purpose of this penalty is to act as a genuine deterrent to ratepayers who might otherwise fail to pay their rates on time and enables the Council to recover the administrative cost of following up unpaid rates and any interest payable because the rates have not been received.

Council allows a further three working days following the due date for payment as a grace period. Fines are payable under the Act but Council will remit this amount if payment is received within the three days grace period. Thereafter, fines for late payment are fully imposed.

Council is prepared to remit penalties for late payment of rates where ratepayers can demonstrate hardship. Applications to remit penalties must be in writing.

Council issues a final notice for payment of rates when rates are overdue (i.e. unpaid) by the due date. Should rates remain unpaid more than 21 days after the issue of the final notice, then Council refers the

debt to a debt collection agency. The debt collection agency charges collection fees recoverable from the ratepayer.

When Council receives a payment in respect of overdue rates, the Council applies the money received as follows:

- first – to satisfy any costs awarded in connection with court proceedings (which may include legal fees);
- second – to satisfy any interest costs;
- third – in payment of any fines imposed; and
- fourth – in payment of rates, in chronological order (starting with the oldest account first).

### **Sale of Land for Non-Payment of Rates**

The Act provides that the Council may sell any property where the 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, provide the owner with details of the outstanding amounts, and advise the owner of its intention to sell the land if payment of the outstanding amount is not received within one month.

### **Overpayment of Rates**

Council is required, pursuant to provisions in the Act to refund balances that are in credit as a result of an overpayment of rates. In some instances interest may be calculated on these credit balances.

Council will not refund amounts less than \$20 due to the administrative costs associated with processing refunds. In these instances the credit balance will be

applied against the next instalment of rates. If a request for refund is sought based on grounds of hardship, the refund will be made irrespective of the minimum (\$20) balance requirement.

### 6.9 Changes to Assessment Records

All changes to the postal address of a ratepayer/owner and changes of ownership of a property must be notified promptly to Council in writing.

### 6.10 Application of the Policy

Where a ratepayer believes that Council has failed to properly apply this Policy it should raise the matter with the Council. In the first instance the ratepayer should contact the Senior Rating Services Officer on 1300 133 466 to discuss the matter. If, after this initial contact, a ratepayer is still dissatisfied they should write to Mr Matthew Pears, Chief Executive Officer, City of Mitcham, PO Box 21, Mitcham Shopping Centre, Torrens Park SA 5062.

### 6.11 Applications for Review of the Financial Impact of the Declaration of Rates

In accord with Section 270 of the Act ratepayers may seek a review of the impact of Council's declaration of rates. In accord with Council's '*Internal Review of a Council Decision Policy*', if Council receives an application for a review of a decision concerning the financial impact of Council rates, these will be dealt with as a matter of priority. Where circumstances warrant, Council may consider financial relief or the granting of concessions in line with the provisions of Section 166 of the Act.

An application for review must be in writing and set out the reasons for applying for the review. Although Council can be expected to have information and material relevant to the matter under review, an application for review may also include new, relevant information or evidence to support the application.

All applications for a review of a decision concerning the financial impact of the declaration of Council rates should be titled "Internal Review Request on the Financial Impact of the Declaration of Rates" and submitted to:

Senior Rates Officer  
City of Mitcham  
PO Box 21  
Mitcham Shopping Centre  
TORRENS PARK SA 5062

Or emailed to: [mitcham@mitchamcouncil.sa.gov.au](mailto:mitcham@mitchamcouncil.sa.gov.au)

### 6.12 Disclaimer

A rate cannot be challenged on the basis of non-compliance with this Policy and must be paid in accordance with the required payment provisions.

## 7. APPENDIX

Appendix 3.1 – Postponement of Rates Scheme - for State Seniors Card Holders

Appendix 3.2 – Application for Postponement of rates for seniors

Appendix 3.3 – Rate Rebates

### Appendix 3.1: Postponement of Rates Scheme for State Seniors Card Holders

#### Information Sheet (LGA 32018)

Over the past several years significant and, in some areas, uneven movement in property values has caused a substantial redistribution of council rates amongst ratepayers within some council areas. In response, councils have implemented flexible payment arrangements and where appropriate rate capping measures. However some seniors, many of whom are pensioners, have found it difficult to pay their council rates. Even though they own property and are “asset rich”, their low income means they are “cash poor”.

The Act (as amended) provides the option for State Seniors Card Holders to apply to postpone on a long-term basis part of their council rates. The deferred amount is subject to a monthly interest charge, with the accrued debt being payable on the disposal or sale of the property. However, the debt may be paid earlier at the ratepayer’s discretion.

#### Who is eligible to apply for postponement of rates?

A ratepayer who holds or is in the process of applying for a State Seniors Card may apply for postponement of a portion of the council rates payable on property they own or are buying if it is their principal place of residence (that, is the place lived in most of the time) and if no other person other than their spouse has an interest as owner of the property.

#### How much equity do I need to have in the property?

If you have a current mortgage over the property, which was registered prior to 25 January 2007, you are required to have at least 50% equity in your property. If you currently have any

mortgages or encumbrances on the property registered before that date you will need to obtain a statement from your financial institution, which indicates the maximum credit limit secured by the mortgage to include with this application form.

If you have a mortgage that was registered after 25 January 2007 there is no restriction on the level of equity held.

#### How much of the total rates can be postponed?

At least \$500 of the total council rates bill must be paid, but an application can be made for any amount in excess of \$500 to be postponed. You may pay the amount due in four quarterly instalments in the same way that the total amount of annual rates are payable. An example follows.

|                           |            |
|---------------------------|------------|
| Total rates amount        | \$1,500.00 |
| Minimum amount payable    | \$ 500.00  |
| Amount of rates postponed | \$1,000.00 |

#### What is the interest rate?

Interest is calculated and compounded monthly on the postponed rate debt. The interest rate is prescribed in the Act and is set annually on 1 July, and may vary from year-to-year. By way of example, during the 2025/26 rating period the charge would be based on an interest rate of 6.5% per annum.

#### A simple example of how the charge is applied.

Mr and Mrs Senior’s total council rates amount for the rating period is \$1,500.00. That means they will pay \$500.00 and postpone the remaining balance of \$1,000.00.

Mr and Mrs Senior then pay the \$500.00 over four quarterly instalments.

The total charge on the \$1,000.00 rates postponed for the rating period will be 6.5% per annum or 0.5416% monthly (that is, 6.5% divided by 12). Interest will be compounded on a monthly basis, included any subsequent year's outstanding rates, until all outstanding rates have been paid in full.

You can talk to the Rating Officer at Council for an explanation of how your quarterly payments and monthly charge would be calculated on the amount of rates you wish to postpone, and the exact amount of charges that would apply.

### **How do I keep track of what I owe to Council in postponed rates?**

You will receive a statement with each rates notice which sets out:

- the amount of postponed rates;
- the interest accrued; and
- advice of your ongoing entitlement to postpone future rates, or to pay off the debt at any time prior to the disposal or sale of the property.

The statement may be in the form of a separate notice or may be included on your quarterly rates notice.

You may also talk to the Council's Rating Officer at any time if you have any queries or want additional information.

### **Can payment of Council rates be postponed year after year?**

Payment of your council rates may be postponed for one year only, or for any number of future years. Postponement of your council rates will continue automatically in each subsequent year after your initial application is approved, until either the property is sold or disposed of, you no longer meet the eligibility criteria for postponement, or you advise Council that you do not want to continue with the arrangement to postpone rates.

Council may issue an annual declaration form with the annual rates notice to check you are still eligible and that you wish to continue to postpone future rates.

You may choose to pay off all or any portion of the postponed rates debt at any time if your financial circumstances change.

### **How does my eligibility change, and what do I need to do then?**

Your eligibility changes if you move out of your home, or are no longer entitled to have a State Seniors Card.

When your eligibility changes you must inform the Council in writing within six months. In these circumstances you are no longer entitled to postpone future rates. However, the postponed amount and accrued interest is not payable until the date of disposal of the property.

The agent or broker who is organising the sale, disposal and settlement of your property will ask you to sign a form, which advises of the requirement to, and authorises payment of all outstanding Council rate charges at the time of settlement.

### **Is there anything else I need to know?**

The rates debt and interest accrued will decrease the value of your equity in the property at the time of disposal or sale.

Seniors are encouraged to seek independent financial advice prior to making the decision to postpone rates. You may also like to discuss the option with a family member, beneficiaries or another person you trust.

Remember, you can choose to pay off the postponed rates debt and accrued interest at any time if your financial circumstances change.

### **How do I apply for postponement of rates?**

You will be required to complete an application form to enable Council to assess your application and to verify your eligibility.

Please contact the Senior Rating Officer at the Council office to arrange a convenient time and place to discuss your application and lodge your application form. This will provide an opportunity for you to obtain more information about the Postponement of Rates Scheme, the conditions that will apply, and for any questions or concerns you might wish to discuss.

## Appendix 3.2: Application Form – Postponement of Rates Scheme for State Seniors Card Holders

Ratepayers who hold a State Seniors Card are now able to apply to Council to postpone payment of council rates on their principal place of residence. This application form will enable Council to assess your eligibility to postpone the payment of your rates. Please also refer to the explanatory notes overleaf.

Please contact the Council office to arrange a convenient time and place to discuss your application and lodge your application form.

|                                                                                                                                                                                                                                                                                                                                                                                                                   |  |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| Applicant's Name:<br>(if different to the Contact Name)                                                                                                                                                                                                                                                                                                                                                           |  |
| Contact Name:<br>(if different to the Applicant Name)                                                                                                                                                                                                                                                                                                                                                             |  |
| Telephone:                                                                                                                                                                                                                                                                                                                                                                                                        |  |
| Appointment – Date and Time:                                                                                                                                                                                                                                                                                                                                                                                      |  |
| Place:                                                                                                                                                                                                                                                                                                                                                                                                            |  |
| Name of State Seniors Card Holder:                                                                                                                                                                                                                                                                                                                                                                                |  |
| State Seniors Card Number:                                                                                                                                                                                                                                                                                                                                                                                        |  |
| Property Address for Postponement<br>of Rates:                                                                                                                                                                                                                                                                                                                                                                    |  |
| Postal Address:                                                                                                                                                                                                                                                                                                                                                                                                   |  |
| Telephone:                                                                                                                                                                                                                                                                                                                                                                                                        |  |
| <p>Are there currently mortgages over the property registered prior to 25 January 2007? (Please tick ✓ the relevant box below).</p> <p><input type="checkbox"/> Yes</p> <p>If yes, please attach a statement from the financial institution indicating the maximum credit limited secured by the mortgage.</p> <p><input type="checkbox"/> No</p> <p>If no, please attach a copy of the Certificate of Title.</p> |  |

## 2026/27 Annual Business Plan, Budget & Long-Term Financial Plan

### Declaration

It is an offence for a person or body to make a false or misleading statement or representation in an application or to provide false or misleading information or evidence in support of an application made (or purporting to be made) under the Act.

Please complete the declaration below to affirm that the information provided on the application is correct.

- I declare that the above property is the principal place of residence of the State Seniors Card Holder and/or spouse (that is, the property lived in most of the time).
- I declare that I am either the State Seniors Card Holder or his/her spouse.
- I declare that no person other than the State Seniors Card Holder and/or his/her spouse has an interest as an owner in the property.
- I declare that I have been informed and understand the conditions which apply to the postponement of rates scheme.
- I declare that the information I have provided on this application form, to the best of my knowledge, is true and correct.

|                           |  |
|---------------------------|--|
| Owner / Applicant's Name: |  |
| Signature:                |  |
| Date:                     |  |
| Witness Name (optional):  |  |
| Signature:                |  |
| Date:                     |  |

## 2026/27 Annual Business Plan, Budget & Long-Term Financial Plan Explanatory Notes

- You are eligible for postponement of rates if:
  - You are a State Seniors Card Holder (or have applied for the card); and
  - The property is your principal place of residence (where you live most of the time); and
  - No other person, other than your spouse, has an interest as an owner of the property.
- If you have a current mortgage over the property, which was registered prior to 25 January 2007, you are required to have at least 50% equity in your property. If you currently have any mortgages or encumbrances on the property registered before that date you will need to obtain a statement from your financial institution, which indicates the maximum credit limit secured by the mortgage to include with this application form.
- A minimum amount of \$500 of the annual rates must be paid.
- The interest rate which will apply to the amount of rates postponed is prescribed in the *Local Government Act 1999* (as amended) Section 182A(12). Interest will be charged and compounded monthly on the total amount postponed, until the debt is paid.
- The accrued debt including interest is payable at the time of disposal or sale of the property. However, you have the discretion to pay all or any part of the debt at an earlier time.
- You must inform Council in writing within six months if your eligibility changes. For example, if you move out of your home or are no longer entitled to have a State Seniors Card.  
*Note: A \$5,000 maximum penalty applies for failure to inform Council in writing within six months of the change in eligibility [Local Government Act 1999 Section 182A(8)].*
- Council will provide information about the postponed rates debt, and the interest accrued with future rate notices.

*Note: It is unlawful to make a false or misleading statement in your application. A \$10,000 maximum penalty applies [Local Government Act 1999 Section 182A(9)].*

### Assessment of Your Application

Your application will be assessed and if approved, arrangements for the postponement of a portion of your council rates will be confirmed in writing to you and all owner/s of the property. If your application is denied, you will be advised in writing of the reasons for the denial. In this event, you will have the right to ask for a review of Council's decision.

## Appendix 3.3: Rate Rebates

Council is required to rebate rates on specific land. This policy will assist Council as a decision making function and is intended to provide guidance to the community as to the matters that Council will take into account in deciding an application for a rebate.

Specific provisions are made for land used for health services, community services, religious purposes, public cemeteries, the Royal Zoological Society and educational institutions.

The policy also sets out the type of land use for which Council must grant a mandatory rebate of rates and the percentage amount applicable, and those types of land use where Council has the ability to grant a discretionary rebate of rates. Rebates will only be available when the applicant satisfies the requirements under both the Act and, where appropriate, the requirements of this policy.

*Note: It is unlawful to make a false or misleading statement in your application. A \$5,000 maximum penalty applies [Local Government Act 1999 Section 159 (2)]*

### Mandatory Rebates

Mandatory rate rebates will be granted by Council at the prescribed rate in accordance with Sections 159 to 165 of Act.

- S160: Health Services 100% Rebate
- S161: Community Services 75% Rebate (this section now applied to Housing Associations and Cooperatives)
- S162: Religious Purposes 100% Rebate
- S163: Public Cemeteries 100% Rebate
- S164: Royal Zoological Society of SA 100% Rebate
- S165: Educational Purposes 75% Rebate

Where Council is satisfied from its own records, or from other sources, that a person or body meets the necessary criteria for a mandatory rate rebate, Council will grant the rebate accordingly.

Where Council is not satisfied it will require the person or body to lodge an application in accordance with this policy.

Where a person or body is entitled to a mandatory rate rebate of 75% only, Council may increase the rebate up to a further 25%.

Council may grant this further 25% rebate upon application.

### Discretionary Rebates

Council may apply discretionary rebates under Section 166 of the Act.

Council currently provides discretionary rebates for Council owned land that is leased or licensed by sporting bodies and various community organisations.

Council may also provide a discretionary rebate to community service organisations that occupy land that would otherwise be exempt or non-rateable.

Eligibility for a rebate is based on the provision of evidence, to Council's satisfaction, that significant community service has been, and continues to be provided to the community by that organisation. Applications for a discretionary rebate by community services organisations under Section 161 of the Act must be in writing and require the following information and documentation to be provided:

- A Statutory Declaration signed by an officer of the organisation, who has the appropriate delegated authority, attesting to eligibility under the Act. Council has Statutory Declarations prepared in a specific format and these must be used when applying for a

## 2026/27 Annual Business Plan, Budget & Long-Term Financial Plan

rebate. These forms will be supplied upon application to Council's Senior Officer – Rating Services on 1300 133 466.

- A copy of the organisation's Constitution.
- A set of financial statements or documentation that confirms the applicant provides community services without charge or for a charge that is below the cost to the body of providing the services – eg an auditor's letter of confirmation.
- Any other documentation applicable to support the application.

Council, having addressed issues of equity arising from circumstances where ratepayers claim to provide or maintain infrastructure that might otherwise be provided or maintained by the Council, has decided there will be no adjustment to the rates payable unless exceptional circumstances can be demonstrated.

In this context, infrastructure provided by retirement villages for the use of their residents upon the land owned and/or occupied by the villages will, therefore, generally not be eligible for a rebate of rates.

Council will advise an applicant for a rebate of its determination of that application in due course, after receiving the application and receiving all information requested by the Council. The advice will state if the application has been granted, the amount of the rebate; or if the application has not been granted, the reasons why.

With regard to prescribed discretionary rate rebates Council will take into account, in accordance with Section 166(1a) of the Act, the following matters:

- The nature and extent of Council services provided in respect of the land for which the rebate is sought, in comparison to similar services provided elsewhere in the Council's area;
- The community need that is being met by activities carried out on the land for which the rebate is sought;
- The extent to which activities carried out on the land, for which the rebate is sought, provides assistance or relief to disadvantaged

persons; and

- Such other matters as Council considers relevant.

Council may take into account other matters considered relevant by Council including, but not limited to, the following:

- Why there is a need for financial assistance through a rebate;
- The level of rebate (percentage and dollar amount) being sought and why it is appropriate;
- The extent of financial assistance, if any, being provided to the applicant and/or in respect of the land by Commonwealth or State agencies;
- Whether the applicant has made or intends to make applications to another Council;
- Whether, and if so to what extent, the applicant is or will be, providing a service within the Council area;
- Whether the applicant is a public sector body, a private not-for-profit body or a private for profit body;
- Whether there are any relevant historical considerations that may be relevant for all or any part of the current Council term;
- The desirability of granting a rebate for more than one year;
- Consideration of the full financial consequences of the rebate for Council;
- The time the application is received;
- The availability of any community grant to the person or body making the application;
- Whether the applicant is in receipt of a community grant; and
- Any other matters and policies of Council, which Council considers relevant.

Council may grant a rebate of rates on such conditions as Council thinks fit.

Council may, for proper cause, determine that an entitlement to a rebate of rates under the Act no longer applies.

**2026/27 Annual Business Plan, Budget & Long-Term Financial Plan**

The Chief Executive Officer has delegated authority from Council to assess all applications for rebates or remissions. The Chief Executive Officer advises Council of his assessment of each application and prepares an annual report of all applications.

## Appendix 3.4: Statement on Expected Rate Revenue

| Statement on Expected Rate Revenue                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                         |                         |              |                                                                                             |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|--------------|---------------------------------------------------------------------------------------------|
| Expected Rates Revenue                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                         |                         |              |                                                                                             |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 2025/26<br>(as adopted) | 2026/27<br>(estimated)  | Change       | Comments                                                                                    |
| <b>General Rates Revenue</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                         |                         |              |                                                                                             |
| General Rates (existing properties)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                         | \$80,761,745 (a)        |              | Rates are budgeted to increase by the general increase of 6.38% plus 0.43% from development |
| General Rates (new properties)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                         | \$357,857 (b)           |              |                                                                                             |
| <b>General Rates (GROSS)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <b>\$75,834,755</b>     | <b>\$81,119,602 (c)</b> |              |                                                                                             |
| Less: Mandatory Rebates                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | (\$1,027,140)           | (\$1,219,808) (d)       |              |                                                                                             |
| <b>General Rates (NET)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>\$74,807,615</b>     | <b>\$79,899,794 (e)</b> | <b>6.81%</b> |                                                                                             |
| (e)=(c)-(d)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                         |                         |              |                                                                                             |
| <b>Other Rates (inc. service charges)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                         |                         |              |                                                                                             |
| Regional Landscape Levy                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | \$2,103,035             | \$2,077,627 (f)         |              | The Regional Landscape Levy is a State tax, it is <b>not retained</b> by council.           |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | \$76,910,650            | \$81,977,421            |              |                                                                                             |
| Less: Discretionary Rebates                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | \$0                     | \$0 (g)                 |              |                                                                                             |
| <b>Expected Total Rates Revenue</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>\$74,807,615</b>     | <b>\$79,899,794 (h)</b> | <b>6.81%</b> |                                                                                             |
| (h)=(e)+(g)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                         |                         |              |                                                                                             |
| Excluding the Regional Landscape Levy and minus Mandatory & Discretionary Rebates.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                         |                         |              |                                                                                             |
| <b>Estimated growth in number of rateable properties</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                         |                         |              |                                                                                             |
| <b>Number of rateable properties</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <b>29,423</b>           | <b># 29,470 (i)</b>     | <b>0.2%</b>  |                                                                                             |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Actual                  | Estimate                |              |                                                                                             |
| 'Growth' is defined in the regulations as where new properties have been created which has added rateable properties to council's ratepayer base. Growth can also increase the need and expenditure related to infrastructure, services and programs which support these properties and residents.                                                                                                                                                                                                                                                                            |                         |                         |              |                                                                                             |
| <b>Estimated average General Rates per rateable property (net)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                         |                         |              |                                                                                             |
| <b>Average per rateable property</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <b>\$2,542</b>          | <b>\$2,711 (j)</b>      | <b>6.6%</b>  |                                                                                             |
| (j)=(c)/(i)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                         |                         |              |                                                                                             |
| Councils use property valuations to calculate each rateable property's contribution to the required rate revenue total. Councils do not automatically receive more money because property values increase but this may alter how rates are apportioned (or divided) across each ratepayer (ie. some people may pay more or less rates, this is dependent on the change in value of their property relative to the overall valuation changes across the council area).<br>The total General Rates paid by all rateable properties will equal the amount adopted in the budget. |                         |                         |              |                                                                                             |
| Represents both General and Commercial rates                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                         |                         |              |                                                                                             |

### Notes

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

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

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

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

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

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

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

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

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

# 2026/27 Annual Business Plan, Budget & Long-Term Financial Plan

## Statement on Expected Rate Revenue

| <i>Expected Rates Revenue</i>         |                        |                     |              |                            |               |                               |                |            |
|---------------------------------------|------------------------|---------------------|--------------|----------------------------|---------------|-------------------------------|----------------|------------|
|                                       | Total expected revenue |                     |              | No. of rateable properties |               | Average per rateable property |                |            |
|                                       | 2025/26                | 2026/27             | Change       | 2025/26                    | 2026/27       | 2025/26                       | 2026/27        | Change     |
| <b>Land Use (General Rates - NET)</b> |                        |                     |              |                            |               |                               |                |            |
| General                               | \$65,354,669           | \$69,718,494        | 6.68%        | 27,776                     | 27,822        | \$2,353                       | \$2,506        | (k)        |
| Commercial / Vacant Land              | \$9,452,946            | \$10,181,300        | 7.71%        | 1,647                      | 1,648         | \$5,739                       | \$6,178        | (k)        |
| <b>Total Land Use</b>                 | <b>\$74,807,615</b>    | <b>\$79,899,794</b> | <b>6.81%</b> | <b>29,423</b>              | <b>29,470</b> | <b>\$2,542</b>                | <b>\$2,711</b> | <b>(k)</b> |
| <b>GRAND TOTAL (NET)</b>              | <b>\$74,807,615</b>    | <b>\$79,899,794</b> | <b>6.81%</b> | <b>29,423</b>              | <b>29,470</b> | <b>\$2,542</b>                | <b>\$2,711</b> | <b>(k)</b> |

Council considers four commonly used principles for taxation being Efficiency, Equity, Simplicity and Sustainability in developing its rating policy. The use of a differential rate assists Council in applying the Equity principle by ensuring those who benefit more or have higher economic means contribute more. The City of Mitcham has applied the broad principle that the rate in the dollar should be the same for all properties, except where there is either a different level of services available to ratepayers, or some other circumstance exists which warrants variation from the broad principle. Council has addressed this through the application of differential rates on commercial, industrial and vacant land properties.

| <i>Minimum Rate</i> |                                            |                                |                |                |            |
|---------------------|--------------------------------------------|--------------------------------|----------------|----------------|------------|
|                     | No. of properties to which rate will apply |                                | Rate           |                |            |
|                     | 2026/27                                    | % of total rateable properties | 2025/26        | 2026/27        | Change     |
| <b>Minimum Rate</b> | <b>4,081</b>                               | <b>13.8%</b>                   | <b>\$1,444</b> | <b>\$1,536</b> | <b>(l)</b> |

Council believes that the adoption of a minimum rate recognises that each rateable property within the Council area benefits from a minimal level of service and should therefore make a minimum level of contribution. Council has adopted a policy of setting its minimum rate at a level not exceeding 65% of the average rate of all rateable properties.  
The Council does not apply a fixed charge component to the general rate.

## *Adopted valuation method*

### **Capital Value/Annual Value**

Council has the option of adopting one of two valuation methodologies to assess the properties in its area for rating purposes:

**Capital Value** – the value of the land and all improvements on the land;

**Annual Value** – a valuation of the rental potential of the property.

Council has decided to continue to use Capital Value as the basis for valuing land within the Council area. The Council considers that this method of valuing land provides the fairest method of distributing the rate burden across all ratepayers.

### **Notes**

(k) Average per rateable property calculated as General Rates for category, including minimum rate but excluding any separate rates, *divided* by number of rateable properties within that category in the relevant financial year.

(l) Where two or more adjoining properties have the same owner and are occupied by the same occupier, only one minimum rate is payable by the ratepayer.

## Appendix 4: ESCOSA Local Government Advice (2024)

OFFICIAL



## Local Government Advice

City of Mitcham

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 Mitcham

## AT A GLANCE

### OVERVIEW

The Essential Services Commission finds the City of Mitcham's current and projected financial performance **sustainable** taking into account the council's forecast moderate expense growth increase over the next 10 years and the planned average rate increases of 3% p.a. per property over this period

### RISKS IMPACTING SUSTAINABILITY

⚠️ Expansion of services and the building of new assets which increases affordability risk for ratepayers

⚠️ Cost constraints and savings targets are not met in accordance with its projections

### CONTINUE

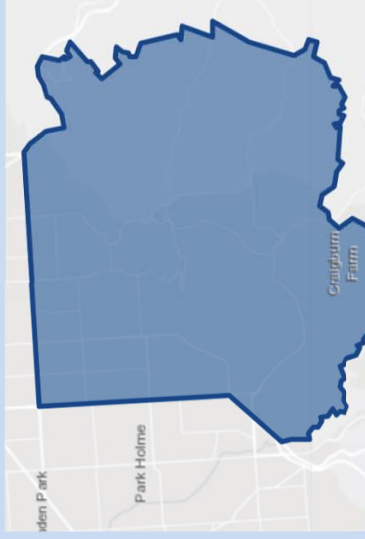
- ✓ Reviewing the inflation forecasts and other relevant macroeconomic assumptions
- ✓ Monitoring cost growth in the budgeting, including related to the costs of new services and initiatives
- ✓ Reporting any actual and projected cost savings in the annual budget and long-term financial plan
- ✓ Reviewing the estimates of asset useful lives
- ✓ Consulting with the community on its strategic asset management plans

### COMMISSION'S RECOMMENDATIONS

- Adhere to the principles underpinning the long-term financial plan projections to continue to fund the renewal of assets
- Review the rationale for rate increase assumptions in its plans
- Consider limiting future average rate increases above inflation

### KEY FACTS

- Population in 2021 was **67,617**
- Council covers **755 square kilometres**
- **29,266** rateable properties in 2022-23
- **\$70 million of rate income** in 2022-23
- Value of assets held in 2022-23 equals **\$760 million**



## Table of contents

|                                                                      |    |
|----------------------------------------------------------------------|----|
| Glossary of terms.....                                               | ii |
| 1 The Commission's key advice findings for the City of Mitcham ..... | 3  |
| 2 About the advice .....                                             | 5  |
| 2.1 Summary of advice .....                                          | 5  |
| 2.2 Detailed advice findings .....                                   | 6  |
| 2.2.1 Advice on material plan amendments in 2023-24.....             | 6  |
| 2.2.2 Advice on financial sustainability .....                       | 8  |
| 2.2.3 Advice on current and projected rate levels .....              | 12 |
| 2.3 The Commission's next advice and focus areas .....               | 14 |

## 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 Mitcham                                                                                                                       |
| CWMS                              | Community Wastewater Management System                                                                                                |
| ESC Act                           | <i>Essential Services Commission Act 2002</i>                                                                                         |
| F&A                               | <a href="#">Local Government Advice: Framework and Approach – Final Report</a>                                                        |
| FTE                               | Full Time Equivalent                                                                                                                  |
| IAMP                              | Infrastructure and asset management plan (also called an AMP)                                                                         |
| LG Act                            | <i>Local Government Act 1999</i>                                                                                                      |
| LGA SA Financial Indicators Paper | Local Government Association of South Australia, Financial Sustainability Information Paper 9 - Financial Indicators Revised May 2019 |
| LGGC                              | Local Government Grants Commission                                                                                                    |
| LGPI                              | Local Government Price Index                                                                                                          |
| LTFP                              | Long-term financial plan                                                                                                              |
| Regulations                       | <i>Local Government (Financial Management) Regulations 2011</i>                                                                       |
| RBA                               | Reserve Bank of Australia                                                                                                             |
| SACES                             | The South Australian Centre for Economic Studies                                                                                      |
| SEIFA                             | Socio-Economic Indexes for Areas                                                                                                      |
| SMP                               | Strategic management plan                                                                                                             |
| SG                                | Superannuation Guarantee                                                                                                              |
| The scheme or advice              | Local Government Advice Scheme                                                                                                        |

Legend:  Low-risk  Moderate-risk  High-risk

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

The Essential Services Commission (**Commission**) finds the City of Mitcham (**Council**) to be in a sustainable financial position, with projected operating surpluses driven by further growth in rate revenue and assumptions of lower long-term expense growth. The Council has aimed to resolve its infrastructure renewals backlog and is now prioritising the renewal of its asset base, consistent with the requirements it has identified through its asset management planning. It has also expanded its service provision through continued investment in new and upgraded assets which is contributing to the higher rates burden for ratepayers. The Council demonstrates a commitment to reviewing desired service levels through appropriate consultation with the community.

## 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 |
|---------------|---------------------------|--------------------|-------------------------------------------------------------------------------------------------|

Looking ahead, the Commission suggests the following steps to help ensure that the Council continues to budget appropriately, reports its cost savings and efficiencies, maintain the reasonableness of the assumptions underpinning its financial and asset management planning and looks for opportunities to limit the extent of further residential rate increases.

## Budgeting considerations

1. Continue to review inflation forecasts and other relevant macroeconomic assumptions in budgets and forward projections each year.

### Continuing to provide evidence of ongoing cost efficiencies

2. **Continue** to monitor cost growth in budgeting, where possible, including related to expenditure (such as for new services and initiatives) which contribute to increases in rate revenue recovery above CPI.
3. **Continue** the good practice of reporting any actual and projected cost savings in annual budgets and the long-term financial plan, to provide evidence of constraining cost growth and achieving efficiency across its operations and service delivery.

### Refinements to asset management planning

4. **Adhere** to the principles underpinning its long-term financial plan projections to continue to fund the renewal of assets (including the backlog of renewals), and to limit future expenditure on new or upgraded infrastructure as required, in consultation with its community about desired service levels and rate contributions.
5. **Continue** to review the estimates of asset lives (and valuations) informing the forecast rate of asset consumption (and depreciation expenses) and asset renewal needs in the long-term financial plan and asset management plans.

### Containing rate levels

6. **Review** the rationale for rate increase assumptions in its plans (related to the classification of the costs of existing service and new services), and **consider** limiting future average rate increases above inflation, particularly for residential rates (for which average rate levels are high compared to similar councils), in consultation with its community and in the context of desired service levels.
7. **Continue** the good practice of consulting with the community on its strategic management plans, with a focus on understanding and managing emerging affordability risk.

## 2 About the advice

The Essential Services Commission (**Commission**), South Australia's independent economic regulator and advisory body, has been given a role by 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.<sup>5</sup> The other main purpose is for the Commission to consider ratepayer contributions in the context of revenue sources, as 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 City of Mitcham (**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 the Commission 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 performance and position sustainable. Over the last 10 years, the Council has consistently run operating surpluses, indicating that the operating income it collects is generally exceeding its operating expenses by a moderate margin. The Commission notes that, more recently, the Council has demonstrated some constraint in its budgeting since it is not accumulating excessive surpluses. At the same time, the Council is budgeting for a higher cost base, and has increased rate levels consistently above inflation to fund new services and initiatives in consultation with its community. Further its average residential rates are high (compared to similar

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

<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 set out under the LG Act at 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.esccsa.sa.gov.au/advice/advice-to-local-government](http://www.esccsa.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).

councils), noting the socio-economic ranking for the community is also high,<sup>10</sup> suggesting that there may be more capacity to pay for higher rates than in other communities.

Community service levels appear to have been maintained, largely through the Council's focus on renewing its asset base, including continuing to address the infrastructure renewals backlog since 2011-12. It has also been adding to its asset base, with an accompanied expansion of service levels through investment in new projects and initiatives. The Council's asset management planning appears comprehensive, with significant asset classes covered by its adopted plans.

The Commission notes the Council's current good practice in formulating its financial projections in its LTFP, and transparency around its planning assumptions and directions, including the ratepayer impact. The Council is also reporting savings through historical efficiencies achieved and is continuing to incorporate proposed savings measures in its budgets. The Commission encourages it to continue this approach. There are other opportunities for the Council to continue to review its expenditure on new projects and initiatives (including its higher operating cost base), in consultation with the community to understand the service levels desired by the community, with a view to limiting rate increases above the rate of inflation.

## 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 explained in the Framework and Approach – Final Report (F&A). The attachment explores these matters further.<sup>11</sup>

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

#### Key Points:

-  Operating cost changes are driven by increases in depreciation (by 14.3 percent), finance costs (by 12.4 percent) and 'employee costs' (by 6.5 percent); and reflects the recent changes in the macroeconomic environment, particularly around higher than previously anticipated inflation changes.
-  Although the Council is anticipating price increases in construction, contracts, and electricity, it is committed to funding the cost of existing service provision through increases in rate revenue at or below CPI increases by identifying cost savings and efficiency measures.
-  Increased forecast capital expenditure by 22.3 percent (or \$43.9 million) in its 2023-24 LTFP estimates.

The Commission has compared the Council's projections in its 2023-24 LTFP with those from its 2022-23 LTFP and focused on the aggregate of the nine overlapping years: 2023-24 to 2031-32 to ensure a comparable analysis of material amendments.

<sup>10</sup> The City of Mitcham area is ranked 67 among 71 South Australian 'local government areas' (including Anangu Pitjantjatjara and Maralinga Tjarutja Aboriginal community areas and 'unincorporated SA') on the Australian Bureau of Statistics Socio-Economic Indexes for Areas Index of Economic Resources (2021), where a lower ranking (eg. 1) denotes relatively lower access to income and other economic resources, compared with other areas, available at <https://www.abs.gov.au/statistics/people/people-and-communities/socio-economic-indexes-areas-seifa-australia/2021>.

<sup>11</sup> The attachment will be available on the Commission's website with the Advice.

Based on the Council's updated assumptions in its 2023-24 LTFP, it is forecasting an increase in its cost and revenue estimates by up to 7.3 percent over the period between 2023-24 and 2031-32.<sup>12</sup> Operating cost changes are driven by increases in depreciation (by 14.3 percent), finance costs (by 12.4 percent) and employee costs (by 6.5 percent); and reflects the recent changes in the macroeconomic environment particularly around higher than previously anticipated inflation changes (also impacting on depreciation) and higher cost of borrowings. This results in lower operating surpluses than it has achieved in the past 10 years, which demonstrates some constraint in its budget, but also potentially that a higher operating cost base may be emerging. Most of the Council's operating income increases are driven by its recovery of the cost of existing services but some also arise from the Council's funding of ongoing costs associated with new projects and initiatives. In its first budget revision in October 2023, the Council noted that income forecasts will also be affected by timing differences associated with the receipt of Financial Assistance Grants for 2023-24, \$2.7 million of which was received in June 2023.

The Commission's analysis of the Council's indexation assumptions indicates that its increase in its cost and revenue estimates are impacted by higher inflation forecasts,<sup>13</sup> but also account for the impact of increased service delivery. The Council uses CPI and LGPI-based inflation assumptions, which it applies for different cost and revenue series, and these have increased materially for the 2023-24 forecast period compared to the same estimates in its 2022-23 LTFP.<sup>14</sup>

The Commission notes that while the Council is anticipating price increases in construction, contracts, and electricity, it is committed to funding the cost of existing service provision through increases in rate revenue at or below CPI increases by identifying cost savings and efficiency measures. Additionally, its stated assumptions for indexation in its 2023-24 LTFP are transparent and based on its annual review of these forecasts. However, there is still some uncertainty around the indexation assumptions,<sup>15</sup> which may present a risk to its cost and income projections. This is evident from the material revisions made to many of the Council's macro-economic assumptions in the current LTFP. Furthermore, as there is a need for the Council to secure savings and reduce any inflationary impact on its community, the Commission considers it would be appropriate for it to:

1. **Continue** to review its inflation forecasts and other relevant macroeconomic assumptions in its budgets and forward projections each year.

The Council has increased its forecast capital expenditure in total by 22.3 percent (or \$43.9 million) in its 2023-24 LTFP estimates, which may appear on the high side given the indexation assumptions it is applying to its asset expenditure. However, the Council has advised that the material amendments in its capital expenditure program are also driven by re-budgeted capital expenditure from 2022-23 totalling \$18.7 million, in addition to the LGPI indexation it has applied to its assets and expenditure of 12.5 percent in 2023-24 (compared to 2.9 percent in its 2022-23 LTFP for the same year). The Commission encourages the Council to monitor these matters and, where required, continue to ensure that the community is consulted on material budget adjustments.

<sup>12</sup> The set of nine years forecast in both the 2021-22 and 2022-23 LTFP projections.

<sup>13</sup> The Council has assumed CPI inflation increases of 7.9 percent in 2023-24, 3.5 percent in 2024-25, and approximately 2.5 percent annually from 2025-26.

<sup>14</sup> The increases on the 2022-23 LTFP estimates are between 1 percent and 9 percent, depending on which Consumer Price Index (CPI) or Local Government Price Index (LGPI) based series the Council applied.

<sup>15</sup> The RBA currently forecasts the CPI (Australia-wide) to increase by 3.6 percent in the year to the June 2024 quarter and by 3.1 percent in the year to June 2025. Thereafter, it is reasonable to anticipate a return to long-run averages (and growth of 2.5 percent per annum from 2025-26, based on the midpoint of the RBA's 2 to 3 percent target range). RBA, Forecast Table - August 2023, available at <https://www.rba.gov.au/publications/smp/2023/aug/forecasts.html>.

## 2.2.2 Advice on financial sustainability

### Operating performance

#### Key Points:

- ✓ Operating surpluses consistently achieved between 2012-13 and 2021-22, with the operating surplus ratio averaging 4.3 percent in that time and 2.6 percent or \$1.9 million in 2022-23.
- ✓ In its forward projections, the operating surplus ratio is forecast to increase to an average of 3.7 percent per annum from 2023-24 to 2032-33.
- ⚠ Average annual increases of 3.3 percent in 'employee' expenses and 2.7 percent in 'materials, contracts and other' expenses, both increasing at rates above CPI.
- ✓ Conducts regular service level reviews of its operations (in consultation with its community) and focuses on maintaining the rate revenue recovery for existing services at or below CPI, in part by identifying ongoing efficiencies and cost savings measures.

The Council has predominantly run operating surpluses from 2012-13 to 2021-22, with the operating surplus ratio<sup>16</sup> averaging 4.3 percent over that period. In 2022-23, the Council achieved an operating surplus of \$1.9 million (or an operating surplus ratio of 2.6 percent). In its forward projections, the operating surplus ratio will continue to meet the suggested LGA target range and indicates a progressive increase to 3.7 percent in 2032-33.

Operating income growth averaged 3.6 percent per annum from 2012-13 to 2021-22, while the rate of operating expense growth averaged 2.8 percent per annum.<sup>17</sup> As a result, the Council has predominantly been able to sustain its operating surpluses over the last 10 years. The Council received a combination of rates, 'statutory charges', 'user charges' and 'grants, subsidies and contributions' income over this period to generate its relatively strong operating income growth.

On the cost side, the Council's operating expenses growth (from 2012-13 to 2021-22) was primarily due to an average annual increase of 3.3 percent in employee expenses and 2.7 percent in 'materials, contracts and other' expenses,<sup>18</sup> both increasing at rates above average annual CPI growth of 2.0 percent over the same period.<sup>19</sup> Employee costs were also a result of increasing staff numbers of approximately one full-time equivalent (FTE) staff per year. The Council reported in 2022-23 material year-on-year increases in finance charges, 'materials, contracts and other expenses and employee costs' of 38 percent, 18 percent, and 9 percent, respectively,<sup>20</sup> and is largely attributable to the macroeconomic environment resulting in increased contract, materials and utility prices. This higher cost environment is expected to continue to drive lower operating surpluses over three years to 30 June 2026.

<sup>16</sup> The operating surplus ratio is defined as: Operating Surplus (Deficit) ÷ Total Operating Income. The general target is to achieve, on average over time, an operating surplus ratio of between zero and 10 percent (Local Government Association of South Australia, *Financial Sustainability Information Paper 9 - Financial Indicators Revised*, May 2019 ([LGA SA Financial Indicators Paper](#)), p. 6).

<sup>17</sup> Based on the compound average annual growth rate formula (which is the adopted approach to calculating average annual growth rates throughout the Commission's advice).

<sup>18</sup> This is despite the increase in the solid waste levy over the past 10 years which has impacted councils' waste management costs.

<sup>19</sup> CPI Adelaide (All groups). Average annual growth in the LGPI published by the South Australian Centre for Economic Studies was similar (at 2.0 percent), available at <https://www.adelaide.edu.au/saces/economic-and-social-indicators/local-government-price-index>.

<sup>20</sup> Included in the Council's Financial Reporting template provided to the Commission.

Looking forward, the Council is projecting average annual rates revenue growth of 3.2 percent to 2032-33, above the forecast long-term inflation,<sup>21</sup> and represents a real term increase in rates revenue, driven by Council's revenue recovery for the cost of new services, the asset renewal backlog and prior Council decisions.<sup>22</sup> The impact on ratepayers is discussed further below.

The Commission has observed the current good practice of the Council in conducting regular service level reviews of its operations (in consultation with its community) and its focus on maintaining the rate revenue recovery for existing services at or below CPI, in part by identifying ongoing efficiencies and cost savings measures. As an example, the Council has factored into its 2023-24 budget recurrent savings of \$863,000 per annum, which represents approximately 1.4 percent of adjusted total operating costs.<sup>23</sup> These overall savings measures, while positive, have not resulted in average rate increases (in line with CPI) and appear modest, notwithstanding the Council's recent history of spending growth and its further exposure to inflationary pressures over the short-term.

As part of the Council's continuing reviews of service levels and operating efficiencies, it may now need to find additional productivity improvements or reduce new services or initiatives in order to minimise any inflationary impact on its community. Therefore, the Commission has found that it would be appropriate for it to:

2. **Continue** to monitor cost growth in its budgeting, where possible, including related to expenditure (such as for new services and initiatives) which contribute to increases in its rate revenue recovery above CPI.
3. **Continue** its good practice of reporting any actual and projected cost savings in its annual budget and long-term financial plan, to provide evidence of constraining cost growth and achieving efficiency across its operations and service delivery.

The Commission also noted the Council uses a suite of financial management ratios in addition to the suggested LGA financial indicators, which together provide it with a framework to further manage its operating performance and financial risk.<sup>24</sup> In general, the Council's own policy targets are more conservative (or narrower) than the LGA's, and the Commission would encourage the Council to continue its focus on such prudent budgeting practices.

The Commission considers that the use of alternative or specific financial reporting measures and targets (within the broader LGA financial management framework) have been positively utilised by the Council and, if such measures were more broadly adopted by other Councils, this may assist to further improve the Local Government sector's decision making, accountability and effectiveness.

<sup>21</sup> The forecast average annual growth in the CPI from 2023-24 to 2032-33 is estimated to be 2.6 percent based on the RBA forecasts for the CPI (Australia-wide) to December 2025 (and the Commission's calculations of average annual percentage growth) and the midpoint of the RBA's target range (2.5 percent) from 2025-26. City of Mitcham, *2023-24 Annual Business Plan, Budget and Long-Term Financial Plan*, July 2023, p.29.

<sup>22</sup> The Commission's estimate of the impact of additional savings in 2023-24 is based on the proportion of additional savings targeted (\$0.863 million) compared to adjusted total operating expenses, being before the additional savings, and excluding non-cash losses from subsidiaries, and depreciation (\$59.676 million). City of Mitcham, *2023-24 Annual Business Plan, Budget and Long-Term Financial Plan*, July 2023, p.37. Also see

City of Mitcham, *Treasury Management Policy*, 14 February 2023, available at [https://www.mitchamcouncil.sa.gov.au/\\_data/assets/pdf\\_file/0030/89850/Treasury-Management-Policy.pdf](https://www.mitchamcouncil.sa.gov.au/_data/assets/pdf_file/0030/89850/Treasury-Management-Policy.pdf).

## Net financial liabilities

### Key Points:

- ⚠ Net cash flows after operating and investing (that is, capital-related) activities has averaged negative \$1.1 million per annum between 2012-13 and 2021-22.
- ✓ Between 2012-13 and 2021-22 the net financial liabilities ratio averaged 15.4 percent.
- ✓ The forecast net financial liabilities ratio over the next 10 years is projected to reduce from a peak of 63.7 percent in 2023-24 to 41.8 percent in 2032-33.

Despite the Council's frequent operating surpluses over the last 10 years (which account for depreciation expenses), its net cash flows after operating and investing (that is, capital-related) activities has averaged negative \$1.1 million per annum between 2012-13 and 2021-22. This net cash flow (in addition to the Council's existing cash balances and borrowing capacity) has been primarily used to fund its growing capital expenditure requirements. Overall, the Council has relied primarily on rates revenue and operating and capital grant funding to support its financial liabilities.

Consistent with the Council's commitment to ensuring financial sustainability and intergenerational equity, it has predominantly used borrowings to finance new and upgraded assets<sup>25</sup>. Over time the Council's use of borrowings and other net financial liabilities has been within the suggested LGA target range for the net financial liabilities ratio (averaging 15.4 percent from 2012-13 to 2021-22).<sup>26</sup> The Council continues to meet the suggested LGA target range under its 2023-24 forecasts and projects a reduction in the ratio from a peak of 63.7 percent in 2023-24 to 41.8 percent in 2032-33. This forecast trend in the net financial liabilities ratio reflects the Council's additional net borrowings (of \$10 million budgeted in 2023-24) to support financing its strategic projects, the infrastructure renewal backlog, and higher operating income growth over the long-term.

The Commission observes that the Council has a focus on managing intergenerational equity<sup>27</sup> through an appropriate use of borrowings. This is positive; however, given the Council's proposed increases in borrowings (in 2023-24) and further interest rate exposure, it may be appropriate for it to consider expanding its financial risk measures to include, for example, a debt service coverage ratio which can more appropriately measure the Council's total debt obligations (both principal and interest over the term of its debt) and assist it to manage intergenerational equity.

<sup>25</sup> City of Mitcham, *2023-24 Annual Business Plan, Budget and Long-Term Financial Plan*, July 2023, p.32.

<sup>26</sup> The net financial liabilities ratio is defined as:  $\text{Net financial liabilities} \div \text{Total operating income}$ . 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>27</sup> 'Intergenerational equity' relates to fairly sharing of services and the revenue generated to fund the services between current and future ratepayers.

## Asset renewals expenditure

### Key Points:

- ✓ Between 2012-13 and 2021-22 total capital expenditure averaged \$19.3 million per annum (including \$16.4 million on asset renewals and \$2.9 million on new and upgraded assets).
- ⚠ Between 2012-13 and 2021-22 the asset renewal funding ratio averaged 85 percent.
- ✓ The forecast asset renewal funding ratio over the next 10 years is projected to average 96 percent.
- ⚠ Higher forecast spending on new or upgraded assets averaging \$5.1 million per annum to 2032-33.
- ✓ Regularly consults with the community on capital expenditure proposals and acknowledges that investment in new or upgraded assets will incur ongoing costs, such as interest, maintenance and depreciation.

Between 2012-13 and 2021-22 the Council's total capital expenditure averaged \$19.3 million per annum (including \$16.4 million on asset renewals and \$2.9 million on new and upgraded assets) and, based on the asset renewal expenditure requirements specified in its AMPs, it generally underperformed on meeting its asset service sustainability requirements during that time. The Council's asset renewal funding ratio (IAMP-based) was below the suggested LGA target range of 90 to 110 percent over these years,<sup>28</sup> and averaged 85 percent between 2012-13 and 2021-22. Discussions with the Council has indicated that this ratio has been affected by re-budgeted capital works, but also brought forward capital renewal works resulting from grant opportunities.

From 2023-24, the Council's asset renewals spending profile is increasing (with projected annual renewal expenditure averaging \$21.5 million to 2031-32, in nominal terms). As a result, its asset renewal funding ratio (IAMP-based) is expected to trend in line with the suggested LGA target range (averaging 96 percent from 2023-24 to 2032-33),<sup>29</sup> and reflects the Council's intention to continue to address its asset renewal backlog in 2023-24.<sup>30</sup> This coincides with higher forecast spending by the Council on new or upgraded assets (estimated to average \$5.1 million per annum to 2032-33), and overall, the value of its asset base per property is generally forecast to be maintained in real terms.

The Council regularly consults with the community on capital expenditure proposals and acknowledges that investment in new or upgraded assets will incur ongoing costs, such as interest, maintenance, and depreciation, and is a factor which increases Council's average rates above CPI. The Commission suggests that the Council could be better placed if it was more focused on accelerating expenditure on its identified asset renewals backlog, rather than increasing investment in new and upgraded assets. For this reason, the Commission considers that it would be appropriate for it to:

4. **Adhere** to the principles underpinning its long-term financial plan projections to continue to fund the renewal of its assets (including the backlog of renewals), and to limit future expenditure on new or upgraded infrastructure as required, in consultation with its community about desired service levels and rate contributions.

<sup>28</sup> The IAMP-based method is the current industry standard whereby asset renewal/replacement expenditure is divided by the recommended expenditure in the IAMP (or AMP). Ideally, this will show the extent to which a council's renewal or replacement expenditure matches the need for this expenditure, as recommended by the plan. The suggested LGA target range for the ratio is 90 to 110 percent (LGA SA Financial Indicators Paper, p. 9).

<sup>29</sup> Included in the Council's Financial Reporting template provided to the Commission.

<sup>30</sup> The Council identified in 2011-12 an asset renewal backlog which it is continuing to address in 2023-24 where it will focus on the road capital renewal backlog and postponing the footpath backlog to the following year. City of Mitcham, *2023-24 Annual Business Plan, Budget and Long-Term Financial Plan*, July 2023, p.15.

The Commission notes the Council's historical spending (over the last 10 years) on asset renewals has outpaced depreciation by a significant margin. The Council states the difference is driven by a combination of additional expenditure on its asset renewal backlog, timing of Federal and State grants contributing to expenditure brought forward, and higher infrastructure asset revaluations (than has been anticipated) driven by higher asset and construction price increases.<sup>31</sup>

The Commission's initial view of historical trends (in the absence of a detailed assessment) was that the Council's asset lives were assumed to be longer (in the depreciation calculation) than occurs in practice, or that it is renewing its assets at a faster pace than indicated by the rate of asset consumption (this could be appropriate if there are peaks in aggregate asset renewal timing need). In accordance with the Council's planned reviews, it would be appropriate for it to:

5. **Continue** to review the estimates of asset lives (and valuations) informing its forecast rate of asset consumption (and depreciation expenses) and asset renewal needs in its long-term financial plan and asset management plans.

### 2.2.3 Advice on current and projected rate levels

#### Key Points:

- ⚠ Rate revenue per property growth has averaged 3.7 percent or \$64 per annum for each property in the period between 2012-13 and 2021-22, which is 1.7 percent above CPI for the same period.
- ✓ A key budget objective is to keep future rate increases required for delivering existing services, at existing service levels, at or below CPI.
- ⚠ The forecast rate increase for 2023-24 is 8.9 percent per property, and it is forecast for rates to increase on average by 3.0 percent per annum or \$700 in total to 2032-33.
- ⚠ Affordability risk among the community for the further rate increases appears to be moderate based on a range of factors including the existing relatively high-rate levels (for residential ratepayers compared to similar councils), an assessment of the economic resources available to the community, and community feedback.

The Council's rate revenue per property growth has averaged 3.7 percent or \$64 per annum for each property in the period 2012-13 and 2021-22, almost double the CPI growth with an average of 2.0 percent per annum over the same period.<sup>32</sup> Based on discussions with the Council, it has indicated that one of its key budget objectives is to keep the rate increase required for delivering existing services, at existing service levels, at or below CPI. As such, rate increases above CPI mostly reflects the Council's expanded or new service provision to the community.

The Council remains reliant on its rate base for its financial and operating sustainability, and rates revenue represents almost 90 percent of its total operating income. Historically, the Council area reflects relatively higher rate levels for residential categories, compared to lower average rates for non-residential ratepayers.<sup>33</sup>

<sup>31</sup> It is noted that the Council has been able to adequately fund its renewal expenditure requirements (including some of the asset renewal backlog previously identified in 2011-12) from its cash flows from operations, that is without drawing down on borrowings or existing cash balances. See also City of Mitcham, 2023-24 *Annual Business Plan, Budget and Long-Term Financial Plan*, July 2023, p.38.

<sup>32</sup> CPI Adelaide (All groups). Average annual growth in the LGPI published by the South Australian Centre for Economic Studies was similar (at 2.0 percent). Available at <https://www.adelaide.edu.au/saces/economic-and-social-indicators/local-government-price-index>.

<sup>33</sup> Refer to Councils in Focus rates data for 2019-20 available at [https://councilsinfocus.sa.gov.au/councils/city\\_of\\_mitcham](https://councilsinfocus.sa.gov.au/councils/city_of_mitcham). The Commission is not relying on these historical rate comparisons for its advice; the data source provides just one indicator, among many, which has informed

In 2023-24, the Council has budgeted for an average rate increase of 8.9 percent, which is higher than it had anticipated charging for this year in its previous LTFP projections (that is, a 3.6 percent increase was previously forecast for 2023-24). The rates increase reflects the Council's expected financial pressures across its service delivery (consistent with the increase in CPI,<sup>34</sup> and accounts for other macro-economic factors at the time its budget was developed), but also reflects the expected cost recovery for existing service delivery (net of efficiency savings), costs for addressing the infrastructure backlog, and new service delivery.<sup>35</sup>

Its 2023-24 LTFP forecasts an average increase of 3.0 percent per annum or \$700 to existing rates in total to 2032-33 (to \$3,005 per annum), which is consistent with the Council's assumed inflation growth over this period plus the rate increases required for new service delivery<sup>36</sup> but is above the RBA-based forecast of average inflation (2.6 percent).<sup>37</sup> Overall, the Commission considers that the Council has demonstrated good budgeting practices by identifying the rate impacts associated with individual programs, activities, and projects. However, it may need to provide further clarity in rate assumptions in its plans, and ensure its rate increases can be clearly explained. To this end, the Commission considers it would be appropriate for it to:

6. **Review** the rationale for rate increase assumptions in its plans (related to its classification of the costs of existing service and new services), and **consider** limiting future average rate increases above inflation, particularly for residential rates (for which average rate levels are high), in consultation with its community, and in the context of desired service levels.

Affordability risk among the community for the further rate increases appears to be moderate based on a range of factors including the existing relatively high-rate levels (for residential ratepayers),<sup>38</sup> an assessment of the economic resources available to the community,<sup>39</sup> and community feedback. The Commission notes that the Council has comprehensively consulted with the community on its plans and has used a range of approaches and media channels, which has resulted in a high level of engagement.<sup>40</sup> In this context, the Commission considers it would be appropriate for it to:

its advice on the appropriateness of the rate levels. Furthermore, this rate comparison does not consider the relative differences or changes in property values within a council's area.

<sup>34</sup> CPI Adelaide (All groups) increased by 7.9 percent in the year to March 2023 quarter and has reduced in the year to June 2023 and year to September 2023 quarters to 6.9 percent and 5.9 percent, respectively. Available at <https://www.abs.gov.au/statistics/economy/price-indexes-and-inflation/consumer-price-index-australia/sep-quarter-2023>.

<sup>35</sup> The City of Mitcham has presented a range of budget options setting out differing service levels and rate increase options as part of the annual review of its Annual Business Plan, Budget and LTFP. City of Mitcham, *Special Full Council Meeting, Notice and Agenda – 27 June 2023, Item 7.1 Preparation of the Draft 2023/23 Long Term Financial Plan and the Draft 2023/2024 Annual Business Plan*, p.161 available at <https://mitcham.civicclerk.com.au/web/Player.aspx?id=842&key=-1&mod=-1&mk=-1&nov=0>.

<sup>36</sup> The Council's projected rate increases in 2023-24 is 8.90 percent, 4.27 percent in 2024-25, and then 4.27 percent per annum in 2025-26 and 2026-27 (City of Mitcham, *2023-24 Annual Business Plan, Budget and Long-Term Financial Plan*, July 2023, p. 29).

<sup>37</sup> The forecast average annual growth in the CPI from 2023-24 to 2032-33 is estimated to be 2.6 percent based on the RBA forecasts for the CPI (Australia-wide) to December 2025 (and the Commission's calculations of average annual percentage growth) and the midpoint of the RBA's target range (2.5 percent) from 2025-26. See footnote 33.

<sup>38</sup> The City of Mitcham area is ranked 67 among 71 South Australian 'local government areas' (including Anangu Pitjantjatjara and Maralinga Tjarutja Aboriginal community areas and 'unincorporated SA') on the Australian Bureau of Statistics Socio-Economic Indexes for Areas Index of Economic Resources (2021), where a lower ranking (eg. 1) denotes relatively lower access to income and other economic resources, compared with other areas, available at <https://www.abs.gov.au/statistics/people/people-and-communities/socio-economic-indexes-areas-seifa-australia/2021>.

<sup>40</sup> The Council received a range of submissions on its 2023-24 Draft Annual Business, Budget and LTFP: 212 online surveys, 11 general feedback, 1 Audit and Risk Committee submission, and 17 questions and answers were provided. City of Mitcham, *Special Full Council Meeting - 27 June 2023, Item 6.1 Community Consultation Findings on the Draft 2023/24 Annual Business Plan, Budget and Long Term Financial Plan*, available at <https://civicclerkau.blob.core.windows.net/stream/MITCHAM/3803f8755f.pdf?sv=2015-12-11&sr=b&sig=9mME%2BF92mT1A92smGOJ6kAJ7OXk6oaCnmHcVl%2BF2kIMk%3D&st=2023-09-16T23%3A45%3A11Z&se=2024-09-16T23%3A50%3A11Z&sp=r&ssc=no-cache&isct=application%2Fpdf>.

7. **Continue** the good practice of consulting with the community on its strategic management plans, with a focus on understanding and managing emerging affordability risk.

### 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 LTFP estimates and relevant assumptions in its LTFP (including inflation),
- ▶ achievement of cost savings and efficiencies, and its continued reporting of these in its plans
- ▶ continuing review and adoption of its AMPs, and
- ▶ how it has sought 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)

**City of Mitcham**

131 Belair Road, Torrens Park SA 5042

Phone: 1300 133 466

Website: [www.mitchamcouncil.sa.gov.au](http://www.mitchamcouncil.sa.gov.au)