2025-2026

Annual Business Plan, Budget

and Long-Term Financial Plan



CITY OF PROSPECT



Kaurna acknowledgement

City of Prospect acknowledges that we are situated on the traditional country of the Kaurna people of the Adelaide Plains region, and we pay our respect to Elders past and present.

We recognise and respect their cultural heritage, beliefs and relationships with the land, and we acknowledge that they are of continuing importance to the Kaurna people living today.

Questions

If you have questions about the 2025-2026 Annual Business Plan and Budget, or Council's finances, contact Council during business hours, via our website or via email.

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Prospect SA 5082

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Message from **the Mayor**



My fellow residents,

It's with pleasure that, on behalf of your Council, I present the 2025-2026 Annual Business Plan, Budget and Long-Term Financial Plan.

Think of this document as our roadmap for the year ahead and beyond – it's how we'll invest in our city to meet your needs and aspirations. It's also the vital next step in delivering on our 2023-2027 Strategic Community Plan, a vision for Prospect that we built together, based on what you told us. That's where we identified the four key pillars that truly capture our shared aspirations: Quality Infrastructure, Community Value, Sustainability, and Funding our Future.

We've listened closely to the priorities you have consistently raised through our community consultations, and this plan delivers real investment in projects, initiatives, and services to keep making Prospect the ideal place to live, work, and play, reflecting your input and moving us closer to that long-term vision. As you look through these pages, you'll see our strong commitment to tackling long-standing challenges and seizing opportunities for future growth and improvement.

A major focus of the Plan is on delivering quality infrastructure that supports our community every day. To tackle the long-standing issue of flooding in the Churchill Road area, we've partnered with the Federal and State Government on Stage 1B of the Churchill Road Drainage Project. This critical stage represents a total investment of over $13 million, which is jointly funded, and will significantly alleviate flooding issues in this area upon completion. Beyond this major undertaking, we've dedicated a further $3.34 million to the essential renewal of roads, footpaths, kerbs, and gutters across the city, ensuring our transport network remains safe and functional. We've also committed a further $103,000 to deliver priority projects identified within Council's new Integrated Transport Plan, aiming to improve connectivity and sustainable travel options.



Investing in quality infrastructure also means creating places that enhance community value and strengthen our social connections. This Plan includes significant initiatives that will shape the heart of our city and provide spaces for all. Following extensive community consultation, technical analysis and financial feasibility studies, we've endorsed the Prospect Lifestyle Precinct Masterplan. The exciting vision for the precinct, informed by your feedback, is for a vibrant, multi-use community and sporting hub at Prospect Oval. The $868,000 allocated in this Plan will be used for the concept development and detailed design phases, now that a preferred masterplan has been finalised. Our plan for funding the precinct's future construction is all about minimising how much Council (and therefore ratepayers) has to contribute, and we're actively pursuing third-party investment and partnerships.

Our commitment to enhancing community spaces also extends to our local reserves. In 2025-2026, we've allocated $750,000 for the revitalisation of Matthews Reserve. As part of the upgrade, we'll deliver new play areas and improved tennis facilities for the Blair Athol Tennis Club, including the introduction of a 'book a court' system to encourage broader community use. We're also contributing $25,000 to progress plans for a community garden at the Ovingham Pocket Park in collaboration with local community groups, fostering local connections and promoting sustainable practices within our neighbourhoods.

Protecting our unique character and fostering arts and culture are also vital aspects of community value. To preserve our history for future generations, we've allocated $30,000 to prepare and submit a Local Heritage Code Amendment to the State Government, proposing additional Heritage Areas and Local Heritage Places receive heritage protections. To help homeowners look after our heritage properties, we're also providing $22,000 to fund our Heritage Grant Program. Our passion for arts and culture shines through with the continuation of the much-loved Prospect Portrait Prize, now in its 13th exhibition, and we're boosting our Public Art Program with investments of $105,000 across our city, including our Quick Response Art Grants, maintaining existing public art, and commissioning specific designs such as new public art at the Galway and Collingrove Avenue roundabout. We've also continued to fund our much-loved community events, including Spring Fair and Twilight Sessions, and are exploring new initiatives including a repair café at the new Nailsworth Community Shed. Reflecting Council's commitment to reconciliation, we're also continuing to fund our Payinthi Kumangka Community Advisory Group.

Sustainability is incredibly important to us, woven into everything we do. Beyond the environmental benefits in our parks and future community garden, we've allocated $110,000 in 2025-2026 to continue our Green Tunnel Planting Program, aiming to plant an additional 400 trees to increase our city's tree canopy cover, improve air quality, and reduce the urban heat island effect. Building on our commitment to waste management, we've also dedicated $93,700 to expand the Weekly Food Organics and Garden Organics (FOGO, or household green bin) Collection Trial, making it easier for more residents to divert organic waste from landfill. We're also providing $212,000 towards upgrading our city's street lights to energy-efficient LED lighting. In partnership with SA Power Networks, this upgrade will significantly reduce our environmental footprint while providing ongoing cost savings infrastructure benefits. Furthermore, we're updating our Environmental Sustainability Strategy and Action Plan with $35,000 of dedicated funding.

Delivering these strategic priorities – building quality infrastructure, enhancing community value, and embedding sustainability – requires a pragmatic and responsible approach to funding our future. Our main goal for funding our future is ensuring we're financially sustainable in the long-term, so we can keep delivering on our promises. We know affordability and rising costs are a real challenge for everyone right now – residents and Council alike. To strike the right balance between your aspirations and these financial realities, and to make sure we can actually deliver the important projects and quality services you expect, this Plan includes an average residential rate increase of 3.9%. This increase has been carefully considered as the necessary investment to keep moving forward on our strategic goals, while being very mindful of cost-of-living pressures.

To ensure Council operates effectively and delivers value as part of funding our future, we're also implementing operational efficiencies, targeted investments in areas like economic development and staffing, and making modest adjustments to revenue and services such as planning advice fees and hard waste collection.

The significant joint funding secured for projects like the Churchill Road Drainage Upgrade and the active pursuit of funding partners for initiatives including the Prospect Lifestyle Precinct and Broadview Tennis Club are key examples of how we leverage external investment to deliver for Prospect while easing the burden on our ratepayers where possible.

Finally, I want to express my sincere gratitude for your passion and engagement as part of this year's consultation. Your feedback was invaluable as we prioritise both our legislative responsibilities and the initiatives that matter most to you.

This Annual Business Plan and Budget reflects our unwavering commitment to serve your needs and foster a sustainable and prosperous City of Prospect.

Matt Larwood
Mayor




NEXUS EDGE
Cozzaly
Gotta Catch 'Em All!™

Our **City**

City of Prospect is approximately

7.79

square kilometres

The Census reveals the following statistics for City of Prospect.

2,216

The number of households made up of couples without children is similar to the number of lone person households (2,331)

2,803

or 47.6% of households were made up of couples with young children.

$2,005

is the median weekly household income.

212

residents identify as Aboriginal and/or Torres Strait Islander.

16.6%

of the population in our city reported doing some form of voluntary work.

6,392

or 28% of people who live in Prospect were born overseas.

Of these people, the top 5 countries of birth are

India, England, Vietnam, China and Italy.

The 5 largest ancestries are

English, Australian, Italian, Irish and Scottish.

49

residents from 12 countries gained citizenship at our January 2025 citizenship ceremony.

We're home to

2,221
businesses

28
parks and reserves

14
children's playgrounds

37

66.7%
are under 50 years, and

33.3%
are over 50 years.

50.1%
of the population identified as female, and

49.9%
identified as male.

The median age for City of Prospect

Of those living in City of Prospect:

29.6% are under 25

19% are retirees and seniors (60-84 years)

2.1% are 85 years and over

9,474
private dwellings

2.5
people (on average) live in each household

1.8
is the average number of motor vehicles per dwelling.

63%
of households were purchasing or fully owned their home and

34.4%
were renting.

22,744
The estimated resident population

Data obtained from 2021 Census, courtesy of the Australian Bureau of Statistics.

Budget summary and highlights

The 2026-2026 Annual Business Plan, Budget and Long-Term Financial Plan (the Plan) outlines how the Council will further progress the four pillars of our 2023-2027 Strategic Community Plan:

- **Community Value:** Empowering a thriving engaging and welcoming city
- **Quality Infrastructure**: Building a sustainable connected city
- **Sustainability:** Activity protecting and nurturing our environment
- **Funding our Future:** Future focused for the next generation

The Council's overarching aim is to ensure long-term sustainable finance performance, deliver on our strategic commitments whilst recognising that, across our community and nation, affordability and inflationary impacts continue to be a challenge for ratepayers and Council alike.

This Plan proposes an average rate increase of 3.9%, and delivers a modest operating surplus of $657,000, which is within Council's endorsed Key Financial Indicators as indicated below.

Indicator	Long-Term Financial Plan (LTFP) target	Target met	
Operating Surplus Ratio	-1% to 3% annually	✓	1.95%
Net Financial Liabilities Ratio	less than 90%	✓	81.91%
Asset Sustainability Ratio	90% to 120%	↑	130.24%
Interest Cover Ratio	0% to 3%	✓	2.90%



Council has progressed delivery of the Top 4 Priorities within the 2023-2027 Strategic Community Plan. During the 2024-2025 financial year, Council has commenced:

- **Churchill Road drainage**
  - Commenced delivering a portion of the project as part of the Renewal SA land development at Prospect Corner
  - Secured a further $7.4m in Federal and State Government funding to extend drainage outcomes
  - Awarded an early contractor involvement contract to progress to shovel ready status
  - Commenced Stage 2 design development for future downstream works needed on the Hindmarsh Enfield Prospect catchment channel to cater for additional flows.
- **Address traffic and parking**
  - Undertook two rounds of public consultation to identify community priorities around traffic, parking and transport within our city
  - Draft vision, themes, strategies and actions prepared
  - Finalised Integrated Transport Plan proposed to be delivered early in the 2025-2026 financial year.
- **Prospect Lifestyle Precinct**
  - Undertook two rounds of community consultation, as well as independent feasibility studies, to inform the development of a master planning options for the future precinct.
- **Support good planning outcomes**
  - Endorsed a historic thematic framework to support heritage identification
  - Made submissions to the Greater Adelaide Regional Plan, Future Living Code Amendment, and other state-level planning consultations
  - Submitted a Representative Buildings Code Amendment to the State Planning Commission.

In 2025-2026, Council will advance our Top 4 Priorities with:

- $13.057m to complete Stage 1 (original stages 1A and 1B have been combined) of the Churchill Road Drainage Upgrade. Whilst of continued strategic importance, the timing of delivery and funding needed for Stages 2, 3 and 4 will be considered in developing future long-term financial plan updates amongst other strategic Council priorities.
- $868,000 to progress implementation of the design and delivery of the Prospect Lifestyle Precinct Masterplan. This is currently included in the capital budget as a three-year project.
- $103,000 to deliver priority projects identified within the Integrated Transport Plan.
- $22,000 to support and encourage heritage restoration for eligible properties through the Heritage Grant Program.
- $30,000 to use findings from Council's heritage survey and thematic framework (undertaken in 2024-2025) to prepare and submit a Code Amendment, proposing additional Heritage Areas and Local Heritage Places across our city receive heritage protections.

Council will deliver on our pillars of Community Value, Quality Infrastructure, Sustainability and Funding our Future through the following investments:

- $3.346m for the renewal of a range of roads, footpaths, kerbs and gutters across our city. A full listing of these works is included on page 43.
- $212,000 to upgrade Council's streetlights to more efficient LED lighting.
- $35,000 to update Council's Environmental Sustainability Strategy and Action Plan to align with our Strategic Community Plan priorities.
- $110,000 for the continuation of Council's Green Tunnel project, increasing the number of street trees planted in line with our Tree Strategy 2021-2026, beyond our standard tree planting activities.
- $93,700 to expand the Weekly Food Organics and Garden Organics (FOGO, or household green bin) Collection Trial, to divert more of our city's organic waste from landfill.
- $25,000 to undertake a concept design and review governance for a community garden at the Ovingham Pocket Park.
- $750,000 to revitalise Matthews Reserve, enhancing its functionality and appeal, including the installation of a 'Book a Court' system at Blair Athol Tennis Club and the development of new playgrounds and nature reserves.



Council is also proposing to make the following changes to our service delivery:

- An increase of $40,000 through our planning and development advice service, where a $50 fee will be charged to non-residents/ owners for each 30 minutes of planning advice provided that is not related to Council objectives.
- An increase of $55,000 to the Economic Development Strategy Fund, and moving this funding to be part of the recurrent budget to enable long-term planning and delivery.
- $37,000 to increase our street sweeping and tree debris management services during peak seasonal periods.
- Savings of $8,000 by reducing the free hard waste collection offering from three per year to two.
- $55,000 to create an ongoing staff position to reduce procurement risk, funded equally by capital and recurrent budgets.
- $105,000 for an additional position to assist with service excellence.
- Cost neutral level of service increase for out-of-hour compliance operations.

In addition, to encourage the development of vacant residential land within our city, Council is proposing to increase the rate in the dollar applied to vacant land (residential) by 32%. Further information is available under the Differential general rates section on page 48 and Appendix 6.


COTTO

Community consultation

From Monday 5 May until Friday 30 May 2025, Council undertook a comprehensive consultation process to engage residents and businesses on the 2025-2026 Annual Business Plan, Budget and Long-Term Financial Plan.

Opportunities for participation included a community survey, written submissions, and attending a public drop-in session. The consultation was designed to gather comprehensive feedback on key areas, including how well the Plan aligned with Council's and the community's overall objectives, and specific queries regarding proposed service level provisions across various council operations. The consultation was promoted widely via Council's Engagement Hub, Council website, social media platforms, city-wide physical signage and Council's physical and digital newsletters, to ensure broad community awareness and participation.

Overall, the consultation feedback indicated broad community support for the Plan's strategic direction and key proposals.



Key areas of general support included:

- **Strategic alignment:** Most respondents felt the Plan effectively supported both the Council's Top 4 Priorities and the four key pillars of the Strategic Community Plan, and that the proposed projects, programs, and services were the right areas for Council to focus on.
- **Financial balance:** The majority of respondents believed the Plan fairly balanced funding for new projects, maintaining existing services, and minimising the average residential rate rise.
- **Service level enhancements and fees:**
  - Strong support for increasing street sweeping and tree debris management during busy seasons
  - Support for introducing a $50 fee for non-residents/owners seeking planning advice that is not directly related to Council objectives
  - Support for increasing the residential vacant land rate
  - Mixed but generally supportive or neutral sentiment towards increasing Economic Development Strategy funding and making it an ongoing budget item
  - Mixed, but leaning towards neutral or support, regarding decreasing hard waste kerbside pickups from three to two per year, though some concerns about potential dumping were raised.



Beyond these broadly supported initiatives, the consultation also captured a range of specific requests, detailed feedback, and individual concerns.

Infrastructure and amenities:

- A call for increased budget allocation for lighting at Prospect Oval to enhance safety and usability for dog owners
- A suggestion to integrate a Council entry statement at the Galway Avenue roundabout, potentially utilising existing art funds
- Concerns regarding the need for improved traffic management, parking solutions, and footpath upgrades across the city
- Specific support for the Churchill Road Drainage project and the Green Tunnel Planting Program
- Support for the $100,000 commitment to repairing the St Helens Kindergarten Storage Room.

Arts and culture:

- A detailed submission advocating for the elimination of exhibition fees for artists at Newmarch Gallery, arguing for better alignment with Council's stated support for artists and contemporary arts practice.

Environmental and sustainability:

- Opposition was expressed regarding the potential purchase of Electric Vehicles (EVs) for Council's fleet, citing concerns over their full economic and environmental lifecycle impacts
- A desire for weekly FOGO collection (food organics and garden organics, or household green bins) to be explored further
- A request for an increased focus and budget for sustainable transport infrastructure and supporting active travel.

Community programs and engagement:

- Support for the development of a community garden on Churchill Road was highlighted
- A general sentiment for Council to be more transparent in its spending, particularly concerning facilities benefiting specific sporting clubs rather than broader community use.

High-level community consultation results were presented to Council for their consideration at a Council Workshop on Tuesday 10 June, with the full community engagement results presented in a detailed report to Council on Tuesday 24 June, informing the finalisation of this document.

Strategic management plans and frameworks

Strategic overview

At City of Prospect, our work is driven by a clear, long-term vision for our city, as outlined in our 2023-2027 Strategic Community Plan. This document, created in collaboration with our community, identifies the top four priorities and four strategic pillars that will guide our efforts over the lifetime of the Strategic Community Plan.

Underpinning this vision is our Long-Term Financial Plan. This plan details how Council will strategically fund the services and infrastructure our community needs, while also forecasting our revenue sources for the next decade. Its core purpose is to ensure the long-term financial sustainability of our Council, allowing us to continue delivering for our residents, businesses and the broader community.

These two key guiding documents – the 2023-2027 Strategic Community Plan and the Long-Term Financial Plan – along with our annual strategic risk assessment, form the foundation for our Annual Business Plan and Budget. Council's Annual Business Plan and Budget, along with operational plans, act as a blueprint for translating the Strategic Community Plan into reality. It clearly outlines how Council will deliver essential services, effectively manage our city, and ensure high-quality service delivery for everyone who lives, works, and plays in Prospect.

Our approach is built on a commitment to continuous improvement. Each year, our departments develop detailed action plans that directly align with the priorities of the 2023-2027 Strategic Community Plan. These plans specify the key actions we will take, the performance targets we aim to achieve, and the tools we will use to measure our progress. We rigorously monitor our performance against these targets and report on our achievements annually in our Annual Report.

The Annual Business Plan, Budget and Long-Term Financial Plan also adheres to our overarching Strategic Planning Framework. We are dedicated to striving for excellence in all our endeavours, while remaining responsive to the evolving needs of our community. Ultimately, this comprehensive planning process empowers our dedicated staff to develop the necessary skills and robust systems required to achieve our shared vision for our city.


Vision
Long-term Goals
Strategic Directions
How we will achieve these over the next ten years
Bi-Annual Business Plan and Budget
Actions, funding allocation
Annual Report
Reporting what we've achieved
How we will deliver
Delivery Plan/ Business Plan, Long-Term Financial Plan, Asset Management Plans

2023-2027 Strategic Community Plan

Within the 2023-2027 Strategic Community Plan, Council has identified its Top 4 Priorities designed to shape the future for our residents, businesses and community.



Top 4 Priorities

Address traffic and parking

Council has committed to developing an Integrated Transport Plan, which will start to address key parking and traffic challenges which face City of Prospect.

Support good planning outcomes

City of Prospect is committed to supporting sustainable planning outcomes.

Prospect Oval Precinct

City of Prospect has taken a clear position to invest in the community's future, through the strategic purchase of land adjacent Prospect Oval.

Churchill Road Drainage Project

City of Prospect places community safety and wellbeing as its number one priority and therefore continues to fund and advocate for flood mitigation actions for its community.



Our strategic pillars

As well as our Top 4 Priorities, the 2023-2027 Strategic Community Plan also outlines four strategic pillars which set out the shared vision for the future of our city.

Community Value

Empowering a thriving, engaging and welcoming city

Creating community value fosters trust, civic engagement and a thriving culture. City of Prospect drives transparent strategy and decisions to deliver a sense of ownership, empowerment, and connection.

What success looks like

- An increase in community driven initiatives
- The community feels safe, supported and engaged
- Increase in community participation throughout the city
- An increase in community confidence with Council decision making
- Increase youth participation.

Quality Infrastructure

Building a sustainable connected city

Quality infrastructure is the foundation for a thriving community, creating spaces for all generations to connect, work and play.

What success looks like

- Easily accessible and appropriate public services
- Community spaces are well utilised and valued
- Increased community satisfaction around roads, footpaths and connectivity
- Development considers heritage values.

Sustainability

Actively protecting and nurturing our environment

Prioritising sustainability to foster environmental stewardship and a resilient urban community.

What success looks like

- Increase waste diverted from landfill
- Quality open space is valued and maintained
- An increase in sustainability outcomes
- Increased community participation in environmental programs.

Funding our Future

Future focused for the next generation

By diversifying revenue sources, Council can reduce the burden on residents by generating economic growth and attracting investment, to fund our future.

What success looks like

- Our city attracts investment and grows
- City of Prospect is recognised as easy to do business with
- Our community is satisfied with its prosperity
- Our community is satisfied with Council services.

Budget overview



Budget principles

In 2024-2025, Council adopted the following Long-Term Financial Plan principles to provide a foundation for City of Prospect to make informed, sustainable and equitable financial decisions that promote long-term financial sustainability for the Council and prosperity for the community.

Fiscal responsibility

Council will fully fund the cost of its services, including depreciation of its infrastructure and assets, to ensure an equitable sharing between current and future users.

Rate consistency

Council will consider the impact of rating fluctuations on the community.

Efficient management

Council aims to minimise waste and maximise community value from Council spending.

Revenue diversification

Council aims to reduce reliance on residential rate payers through:

- Generating economic growth and attracting investment to City of Prospect
- Generating income from assets within the community
- Actively sourcing grant funding in line with planned projects.

Strategic Community Asset Management

Council aims to:

- Maintain infrastructure to the level agreed with the community through its Asset Management Plans ensuring continued investment in renewal and replacement as asset stock ages
- Enhance the community's asset portfolio through attraction of potential third party (public and private) contributions, where there is net long-term value to the community
- Achieve highest and best community value from all council owned assets, generating income where there is a net long-term value to the community
- Achieve intergenerational equity by utilising debt funding for new community assets.

Transparency and accountability

Council will communicate clearly and transparently with the community in relation to financial policies, budget priorities and financial performance. It will ensure its long-term financial plan delivers the approved key performance indicators and maintains long-term financial sustainability.



Budgetary influences

The 2025-2026 Annual Business Plan Budget considers:

- The Consumer Price Index (CPI) and Local Government Price Index (LGPI)
- Maintaining and renewing existing Council infrastructure such as roads, footpaths, kerbs, gutters, open spaces and buildings
- Employee wage and salary increase negotiated through Enterprise Bargaining Agreements
- Committing to two-year funding when required for multi-year projects
- Length of time for current grant funding agreements
- Consideration to current service levels and if any service levels need to be changed.

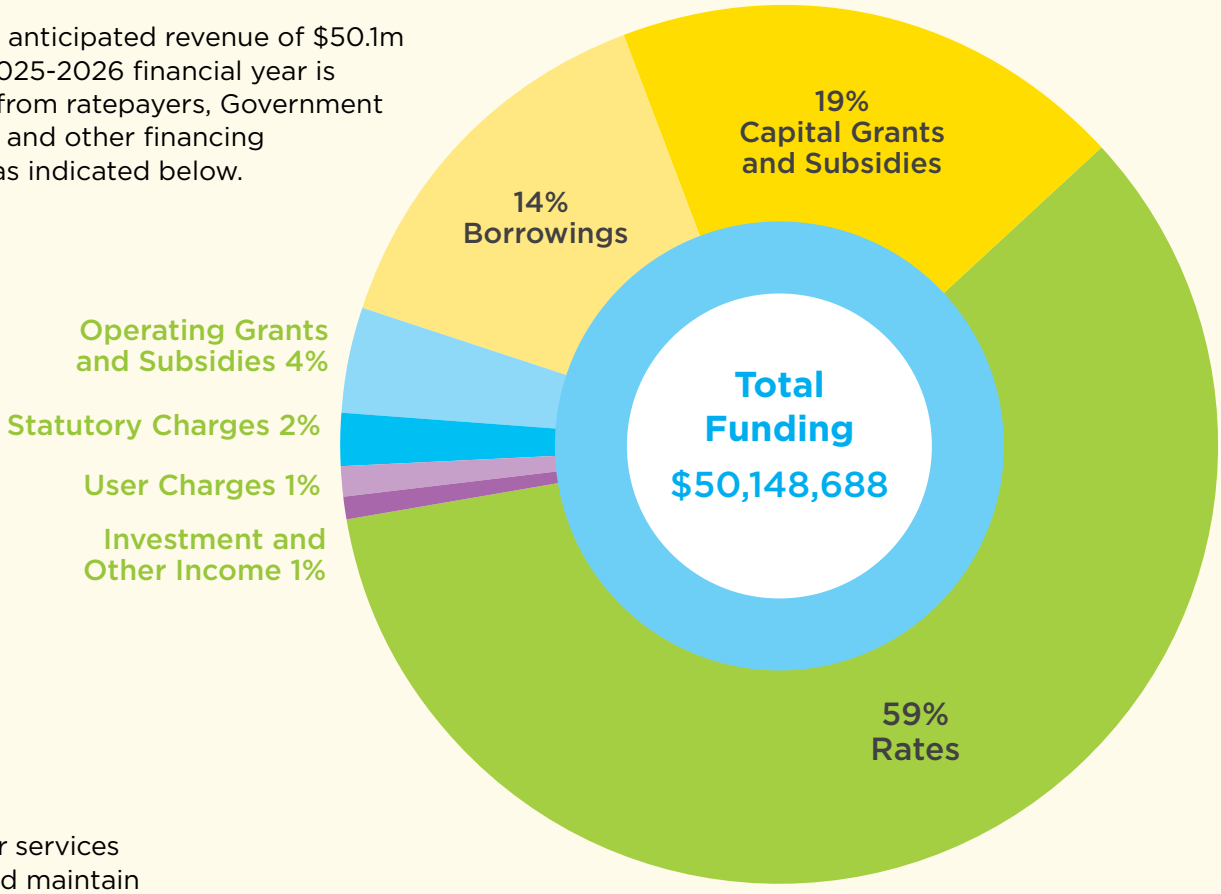
Budget result

This Plan proposes an average residential rate increase of 3.9%, and delivers an operating surplus of $657,000. The table below indicates this Plan's performance against Council's endorsed Key Financial Indicators.

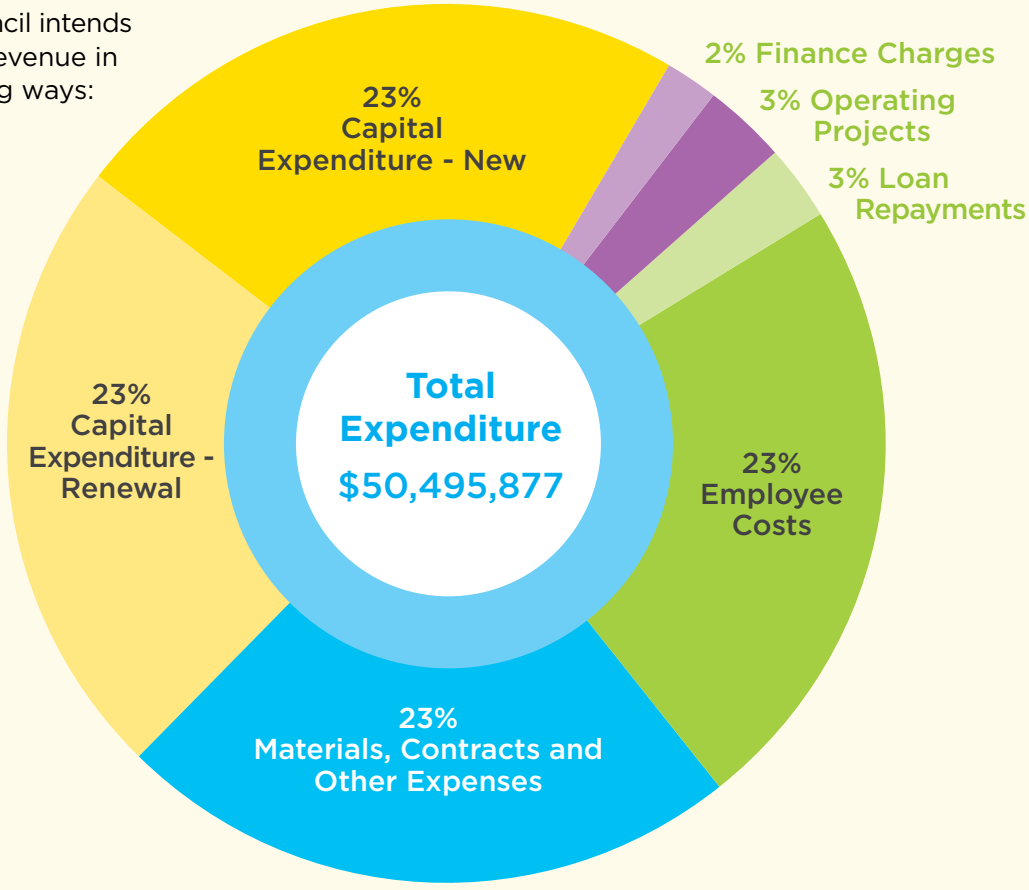
Indicator	Long-Term Financial Plan (LTFP) target	Target met	
Operating Surplus Ratio	-1% to 3% annually	✓	1.95%
Net Financial Liabilities Ratio	less than 90%	✓	81.91%
Asset Sustainability Ratio	90% to 120%	↑	130.24%
Interest Cover Ratio	0% to 3%	✓	2.90%



Council's anticipated revenue of $50.1m for the 2025-2026 financial year is sourced from ratepayers, Government agencies and other financing sources as indicated below.



To deliver services (54%) and maintain our infrastructure (46%), Council intends to use this revenue in the following ways:



Where your rates go

For every $100 you pay in rates, here's how we'll use it

$1.27
Business and innovation management

Supports economic development and provides assistance to businesses within the city

$3.33
City planning and development assessment

Manages development applications, permits, and related support services

$1.01
Communications and community engagement

Provides public information about Council activities and facilitates community engagement

$1.96
Community arts, gallery and events

Oversees community events, Council's Newmarch Gallery, cultural programs, youth development initiatives, and community facilities

$2.11
Community wellbeing and development

Delivers programs and services to promote community well-being and positive ageing, including volunteer opportunities, social programs, and transportation assistance

$26.23
Drainage

Management and maintenance of stormwater infrastructure



$0.45
Environment

Implementation of environmental initiatives within the city, including the implementation of weekly Food Organics and Green Organics (FOGO) collection

$3.28
Financial management

Oversees Council's financial operations as well as costs associated with borrowing and depreciation of assets

$9.33
Fleet and infrastructure operations

Management of Council's vehicle fleet and costs associated with the outdoor City Works and Presentation workforce

$9.30
Governance and administration

Manages human resources, workplace safety, governance and overall Council administration

$3.39
Information services

Manages the Council's information technology systems and document managements

$1.53
Inspectoral

Enforcement of parking regulations and animal control as well as other local nuisance matters

$1.65
Library services

Provision of the Library, including Prospect Toy Library and Prospect Library of Things





$7.75
Open spaces

Maintenance costs associates with the upkeep of parks, playgrounds, reserves, and other open green spaces



$1.84
Rates administration

Administers property rates and billing



$0.18
Sanitation

Contracted services for the removal of graffiti and maintenance and provision of public toilets



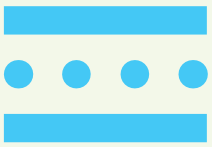
$0.70
Street lighting

Provides street and park lighting across the public network



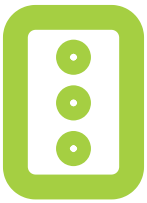
$1.73
Street trees

Plants, maintains, and waters the city's street trees and park trees



$13.50
Streets and footpaths

Maintains and repairs Council's streets and footpaths



$4.63
Traffic management

Manages Council's traffic management network and other measures to ensure safe and efficient roads



$4.82
Waste management

Collects and disposes of waste from our city and educates residents on responsible waste management practices



Strategic initiatives

Churchill Road Drainage

Top 4 Priority
Churchill Road Drainage Project

Strategic pillar
Quality Infrastructure and Sustainability

Project background

Residential and commercial properties near Churchill Road have a history of flooding during heavy rain events, particularly near Charles Street and Princes Street. To address these longstanding drainage concerns, a multi-stage project is underway. Stage 1A, completed in 2024, successfully established a new high-capacity outfall drain connecting Charles Street to the Hindmarsh Enfield Prospect channel on the western side of the rail corridor. Stage 1B, scheduled for completion between 2025 and 2026, will extend the drainage network to connect with Renewal SA's housing development, which is currently under construction along the Islington Shared Path.

Project timeline

Stage 1B is planned scheduled for construction between 2025 and 2026.

Project benefits

Upon completion, the project will comprehensively address the current flooding issues within the Churchill Road area.

Project funding

The project is being jointly funded by Council, State Government, and Federal Government, with each entity contributing an equal share:

- 2025-2026
  Total project cost: $13,057,440
  Funding partner contribution: $8,651,334





Prospect Lifestyle Precinct

Top 4 Priority
Prospect Oval Precinct

Strategic pillar
Community Value, Quality Infrastructure and Funding our Future

Project background

In 2023, Council purchased 142-148 Main North Road, with the view to expand the Prospect Oval Precinct. Recognising the value of open space, Council aims to create a vibrant, inclusive, and multi-use space for the next generation. This project goes beyond sports, sparking the opportunity to create a dynamic, multi-purpose hub for recreation, culture, business and housing. To Council's reliance on residential rates Council will be exploring innovative funding models to ensure long-term success.

Project timeline

The Prospect Lifestyle Precinct Masterplan is advancing through a structured, multi-phase community consultation and planning process. Following the adoption of the master planning roadmap in April 2024, council administration has undertaken several key steps:

- Phase 1 consultation (July – August 2024):
  Engaged the community to gather insights on desired future uses and aspirations for the precinct.
- Formation of PLP advisory groups:
  Council established the Facilities User Group and Community Reference Group to provide ongoing input and ensure diverse community representation throughout the planning process.
- Development of draft master planning petitions (November 2024 – January 2025):
  Based on community feedback and technical investigations, four draft master planning options were created to guide the precinct's future transformation.
- Phase 2 consultation (February – March 2025):
  Council gathered community feedback on the four draft master planning options to inform the development of a preferred master plan. This consultation phase concluded on 28 March 2025 and feedback is currently being analysed to shape the preferred masterplan.

Council is now finalising the preferred masterplan, informed by the community feedback received alongside site and financial feasibility studies.

Project benefits

This project will ensure that the resulting master plan for the Prospect Lifestyle Precinct will create a vibrant community hub with improved public amenities, foster economic development, and attract investment to support long-term financial sustainability.

Project management funding

- 2025-2026: $868,384
- 2026-2027: $889,468
- 2027-2028: $911,080

Potential capital funding, subject to masterplan approval

- 2026-2027: $1,000,000
- 2027-2028: $2,000,000

Integrated Transport Plan – Stage 1 implementation

Top 4 Priority
Address traffic and parking

Strategic pillar
Quality Infrastructure and Sustainability

Project background

The development of an Integrated Transport Plan (ITP) is a key strategic priority for Council, aiming to establish a cohesive, sustainable, and adaptable transport system for our city, now and into the future. This Plan will provide a long-term strategic framework to guide Council's investment in all modes of transport, including vehicles, public transport, cycling, walking, and parking, to support future growth and enhance community wellbeing. Following the plan's finalisation in 2025, this project will see Council begin implementing the ITP's priority actions.

Project timeline

Stage 1 implementation will begin once the Integrated Transport Plan is finalised in 2025. Key activities for 2025-2026 include developing a Local Area Traffic Management Plan and implementing cycling infrastructure improvements.

Project benefits

This project will lead to improved local traffic management and enhanced safety for pedestrians and cyclists in key areas. These initial improvements will contribute to a more connected and sustainable transport network for our city.

Project funding

- 2025-2026: $103,333

Local Heritage Code Amendment

Top 4 Priority
Support good planning outcomes

Project background

To protect and celebrate our city's rich heritage, this project aims to prepare and submit a Code Amendment to the State Government's Planning and Design Code, proposing the inclusion of additional Heritage Areas and Local Heritage Places identified through Council's existing heritage survey and thematic framework. While Council possesses the internal expertise to develop the necessary documentation, external funding is required to support community engagement activities and to engage a heritage architect or historian for supplementary investigations that may be required based on community and/or State Planning Commission feedback. Achieving these additional heritage protections directly delivers on one of Council's Top 4 Priorities.

Project timeline

This Code Amendment project is expected to span multiple financial years due to necessary State Government approvals. Key activities, including preparation and community engagement, are planned for the 2025-2026 financial year, with final approvals anticipated in 2026-2027.

Project benefits

Successful completion of this project will result in enhanced protection for significant local heritage places and areas within our city, contributing to the preservation of our unique character and history for current and future generations.

Project funding

- 2025-2026: $30,000

Ovingham Pocket Park Community Garden

Strategic pillar
Community Value and Sustainability

Project background

The Ovingham Pocket Park, completed by the State Government in April 2025, provides an ideal location for a community garden to promote sustainability and foster community connections. In collaboration with local community group Churchill Greening, Council will undertake a professional landscape concept design and the development of appropriate governance arrangements to establish a thriving community garden within the park.

Project timeline

In 2025-2026, Council will focus on planning and designing the community garden within the Ovingham Pocket Park, including a concept plan, establishing governance arrangements, and developing a funding strategy for its ongoing operation.

Project benefits

The Ovingham Pocket Park Community Garden will provide a valuable space for residents to connect with nature and each other, fostering a stronger sense of community. It will also promote sustainable practices and enhance the overall park.

Project funding

- 2025-2026
  Council contribution: $25,000

Broadview Tennis Club upgrade

Strategic pillar
Quality Infrastructure and Sustainability

Project background

Established in 1921, the Broadview Tennis Club at Broadview Oval/Yarnta Tutu yarta plays a vital role in promoting active lifestyles within our city, experiencing significant membership growth and demonstrating its importance to the local and wider region. Endorsed within the 2021 Broadview Oval Masterplan, this project will see the existing facility transformed into a state-of-the-art tennis precinct. The redevelopment aims to cater to increasing demand, support Tennis SA's strategic goals, and potentially host professional tennis events, featuring a new two-storey clubhouse, 12 International Tennis Federation-standard courts, enhanced lighting, parking, and landscaping.

Project timeline

The Broadview Tennis Precinct redevelopment is progressing, with design development, cost analysis and business model refinement undertaken in 2024-2025. Subject to securing necessary grant funding, construction is anticipated to commence within six months and is expected to take approximately 18 months to complete.

Project benefits

This redevelopment will provide increased capacity and modern amenities, including a new clubhouse and upgraded courts, benefiting the Broadview Tennis Club, Prospect and Blair Athol Lions Club, and the wider community. The enhanced precinct will improve community access to high-quality tennis facilities, support the growth of tennis at all levels, promote inclusivity in sport, and position Prospect as a key venue for regional and potentially state-wide tennis tournaments.

Project funding

- 2025-2026: $270,000
- 2026-2027: $6,000,000
  Proposed funding partner contribution: $3,483,000
- 2027-2028: $4,000,000
  Proposed funding partner contribution: $3,483,000


Millie
MAX
8/4/14

SA Power Networks LED lighting upgrade

Strategic pillar
Quality Infrastructure

Project background

Council currently relies on an aging stock of streetlights, predominantly using older, less energy-efficient technologies. To address this, this project proposes to partner with SA Power Networks (SAPN) to implement a comprehensive upgrade to modern LED streetlights. This initiative is driven by the potential for significant annual savings in power costs and the opportunity to enhance the quality and appearance of our street lighting. The upgrade will replace the existing larger, more industrial-looking fixtures with streamlined, aesthetically modern LED luminaries that offer improved light dispersion and a more consistent illumination.

Project timeline

This project will involve Council entering into a formal agreement with SAPN for the replacement of existing streetlights with modern LED luminaries. To minimise financial impacts, this initiative may be undertaken over two or more financial years.

Project benefits

The upgrade to LED streetlights will result in significant annual cost savings for Council through reduced energy consumption and lower maintenance requirements. The upgraded lighting will also offer brighter, more consistent illumination, enhancing visibility and safety for the community while also reducing Council's environmental footprint.

Project funding

- 2025-2026: $212,000

Green Tunnel Planting Program

Strategic pillar
Sustainability

Project background

Council is committed to increasing its tree canopy coverage through the implementation of the Green Tunnel Planting Program, as outlined in its 2021-2026 Tree Strategy. This initiative focuses on increasing our city's "green tunnels" – streets and public spaces with significant tree coverage. This program aims to plant an additional 400 trees across Prospect to enhance the urban environment and contribute to a more sustainable and resilient city.

Project timeline

The Green Tunnel Planting Program is an ongoing initiative. Key activities planned for 2025-2026 include:

- Identifying suitable locations for planting an additional 400 trees, focusing on enhancing existing and creating new green tunnels
- Sourcing and planting the additional 400 trees
- Establishing of a maintenance schedule to ensure the healthy growth and survival of newly planted trees.

Project benefits

This program will enhance Prospect's urban environment by significantly increasing tree canopy cover, leading to improved air quality, reduced heat island effect, increased biodiversity, and a more attractive and liveable city for our community.

Project funding

- 2025-2026: $110,000

Initiatives and projects

Council wishes to present the following capital and operating projects for community consideration as part of the 2025-2026 Draft Annual Business Plan, Budget and Long Term Financial Plan consultation.



Capital projects

✓ Top 4 | Community Value | Quality Infrastructure | Sustainability | Funding Our Future

Project name	Project description	Strategic pillar	2025-2026 Net Total	2025-2026 New / Upgrade	2025-2026 Renewal / Replacement	2025-2026 Income	2026-2027 Net Total	2026-2027 New / Upgrade	2026-2027 Renewal / Replacement	2026-2027 Income	2027-2028 Net Total	2027-2028 New / Upgrade	2027-2028 Renewal / Replacement	2027-2028 Income
Churchill Road Drainage Stage 1	Continuation of the work being completed to the extension of the high-capacity outfall drain connecting Charles Street to the Hindmarsh Enfield Prospect channel	✓	4,406,106	8,651,334	4,406,106	8,651,334	-	-	-	-	-	-	-	-
Stormwater Management Plan - HEP Channel	Investigation, planning & development of functional design of future downstream stormwater upgrades of HEP concrete channel		200,000	200,000	-	-	-	-	-	-	-	-	-	-
Islington Shared Path (Constuction)	Upgrade to create a safe and accessible shared use path to encourage cycling and walking by addressing existing poor condition footpath		239,250	200,000	239,250	200,000	-	-	-	-	-	-	-	-
Broadview Tennis Club	Proposed redevevlopment which will aim to see the existing facility transformed into a state-of-the art tennis precinct		270,000	270,000	-	-	2,517,000	4,410,000	1,590,000	3,483,000	517,000	2,940,000	1,060,000	3,483,000
Footpath Constructions	Delivery in accordance with Council's Asset Management Plans		496,291	-	496,291	-	559,949	-	559,949	-	536,447	-	536,447	-
Kerb and Gutter Constructions			1,663,217	-	1,663,217	-	1,206,963	-	1,206,963	-	1,450,004	-	1,450,004	-
Road Reseal/Reconstruction *inc Roads to Recovery**			778,930	-	1,105,468	326,538	1,549,035	-	1,936,798	387,763	1,444,191	-	1,852,363	408,172
Pedestrian Kerb Ramp Renewal			30,703	-	30,703	-	31,471	-	31,471	-	32,258	-	32,258	-
Public Transport DDA Compliance at Bus Stops			50,000	-	50,000	-	-	-		-	-	-	-	-
Public Toilet Future Years Program			50,000	-	50,000	-	50,000	-	50,000	-	50,000	-	50,000	-
Stormwater / Drainage			-	-	-	-	-	-		-	1,247,876		1,247,876	-
Open Space			-	-	-	-	-			-	365,344	-	365,344	-
Design of Transport Infrastructure - Future Years Program Renewal	Design of future renewals in line with Asset Management Plans and Capital Works Plans for future years		118,759	-	118,759	-	121,728	-	121,728	-	124,771	-	124,771	-
Galway Avenue Roundabout #	Upgrade to the intersection of Galway Avenue, Jellicoe Street and Rheims Street into a modern roundabout that improves traffic flow, safety and accessibility		650,000	650,000	650,000	650,000	58,609	58,609	-	-	-	-	-	-
Gordon and Gray Intersection	A traffic review will be undertaken to consider adjacent streets in line with the Integrated Transport Plan to consider how the intersections along Gray Street interact in the surrounding community. Further detailed design and construction will be considered in future years.		-	-	-	-	-	-		-	250,000	-	250,000	-
Irish Harp East Reconstruction	Look to address stormwater drainage concerns with this laneway including new roadway and lighting		-	-	-	-	243,488	-	243,488	-	-	-	-	-
Matthews Reserve Upgrade	Renewal of existing parking into a high quality park, revitalise the community space, enhancing its functionality and appeal, including the installation of a Blair Athol Tennis Club 'Book a Court System', development of new playgrounds, creation of park settings to foster community engagement.		750,000	-	750,000	-	-	-		-	-	-	-	-
Prospect Road South Greening	Enhance the environmental quality, aesthetics and liveability of the southern section of Prospect Road through strategic greening initiatives		55,000	55,000	-	-	-	-	-	-	-	-	-	-
Fitzroy Terrace Landscaping	Refresh of plantings and renewal of irrigation		20,000	-	20,000	-	-	-	-	-	-	-	-	-
Public Art	Public Art program for art investments across the City		29,694	29,694	-	-	30,436	30,436	-	-	31,197	31,197	-	-

** Howard/Balfour Roundabout decision due at April 2025 Council meeting could change the funding allocation
# Income is dependent on successful application for grant funding

✓ Top 4 | Community Value | Quality Infrastructure | Sustainability | Funding Our Future

Project name	Project description	Strategic pillar	2025-2026 Net Total	2025-2026 New / Upgrade	2025-2026 Renewal / Replacement	2025-2026 Income	2026-2027 Net Total	2026-2027 New / Upgrade	2026-2027 Renewal / Replacement	2026-2027 Income	2027-2028 Net Total	2027-2028 New / Upgrade	2027-2028 Renewal / Replacement	2027-2028 Income
Prospect Lifestyle Precinct	Advance the Masterplan and delivery of Phase 2 and 3	✓	868,384	483,384	385,000	-	889,468	889,468	-	-	911,080	707,030	204,050	-
Galway Ave Roundabout Public Art	Public Art Design and Commission for the Galway and Collingrove Avenue Roundabout		50,000	50,000	-	-	-	-	-	-	-	-	-	-
Broadview Oval - Drainage Improvement + Irrigation	Aim to address the current stormwater drainage issues across the oval playing surface and install irrigation to support the playing surface ongoing use		-	-	-	-	441,391	-	441,391	-	-	-	-	-
Prospect Oval Interim Lighting Upgrade	Interim lighting at Prospect Oval to meet minimum safety standards for training		50,000	200,000	-	150,000	-	-	-	-	-	-	-	-
Prospect Gardens/Narnu Wirra - Court Resurfacing	Design for the renewal of the existing tennis courts		50,000	-	50,000	-	-	-	-	-	-	-		-
Broadview Oval - Urban Elements	Installation of Urban Elements for the Broadview Oval		20,000	20,000	-	-	-	-	-	-	65,000	65,000	-	-
Building - Unallocated	Asset Management Plan allocation		155,382	-	155,382	-	79,008	-	79,008	-	324,314	-	324,314	-
Eliza Town Hall Stage and Flooring Works	Upgrade to the stage to ensure universal accessibility, floor boards requirement replacement		-	-	-	-	200,000	-	200,000	-	-	-	-	-
Prospect Oval Bird Netting	Netting to stop pigeons from roosting in the rafters		30,000	-	30,000	-	-	-	-	-	-	-	-	-
Prospect Oval Cricket Club Roof Replacement	Urgent need to removal of the asbestos roof and replacing with a fit for purpose steel roof. Cannot wait for PLP designs.		100,000	-	100,000	-	-	-	-	-	-	-	-	-
St Helens Coach House Improvements	Replacement of doors as existing coach house doors have been secured shut and limit access to the building interior		35,000	-	35,000	-	-	-	-	-	-	-	-	-
Broadview Prospect Bowling Club Building Improvements	Ceiling, lighting, sewer and switchboard works required		120,000	-	120,000	-	-	-	-	-	-	-	-	-
Broadview Prospect Bowling Club New Fencing	Replacement fencing		-	-	-	-	60,000	-	60,000	-	-	-	-	-
St Helens Kindergarten Storage Room	Structural failure has occurred and the room is now unsafe		100,000	-	100,000	-	-	-	-	-	-	-	-	-
Payinthi Office Lighting	Deteriorating light fittings		30,000	-	30,000	-	-	-	-	-	-	-	-	-
Prospect Oval Players Race	Structural design and remediation of the Players Race		130,000	-	130,000	-	-	-	-	-	-	-	-	-
Prospect Mens Shed Dust Extraction	Upgrade to the current dust extraction unit to improve removal of dust generated		30,000	40,000		10,000	-	-	-	-	-	-	-	-
Depot Relocation Design	Continue investigations, design, environmental and other works		50,000	50,000	-	-	-	-	-	-	-	-	-	-
Project Management	Dedicated project management resources		881,720	881,720	-	-	811,513	811,513	-	-	831,801	831,801	-	-
ICT Equipment	Replacement of ICT Equipment		90,767	-	90,767	-	458,268	-	458,268	-	132,825	-	132,825	-
Fleet & Minor Plant	Strategic Fleet replacement program, including EV alternatives		415,000	-	578,000	163,000	382,779	-	382,779	-	537,209	-	537,209	-
Library Collection	Annual purchasing of library stock, including books, magazines, periodicals, DVDs and other borrowable items		28,000	-	117,000	89,000	117,000	-	117,000	-	117,000	-	117,000	-
Unallocated capital project funding	Allocation for potential capital works projects to begin. Currently undetermined on what or where this would be. Waiting for Masterplan to be able to make informed decisions.		-	-	-	-	1,000,000	1,000,000	-	-	2,000,000	2,000,000	-	-
Total			13,042,203	11,781,132	11,500,943	10,239,872	10,808,106	7,200,026	7,478,843	3,870,763	10,968,317	6,575,028	8,284,461	3,891,172


ADELAIDE
FOOTBALL LEAGUE

Additional capital projects have been considered as part of the 2025-2026 Annual Business Plan, Budget and Long-Term Financial Plan, and will be funded if grant funding for the Broadview Tennis Club upgrade is not secured:

✔ Top 4 | Community Value | Quality Infrastructure | Sustainability | Funding Our Future

Project name	Project description	Strategic pillar	2025-2026 Net Total	2025-2026 New / Upgrade	2025-2026 Renewal / Replacement	2025-2026 Income	2026-2027 Net Total	2026-2027 New / Upgrade	2026-2027 Renewal / Replacement	2026-2027 Income	2027-2028 Net Total	2027-2028 New / Upgrade	2027-2028 Renewal / Replacement	2027-2028 Income
Open Space - Renewal	Renewal of assets in public realm		-	-	-	-	114,221	114,221	-	-	-	-	-	-
Open Space - New	Creation of new assets within the public realm		-	-	-	-	63,779	63,779	-	-	-	-	-	-
Peppermint Gums #	Transform the existing park into a high-quality park, featuring play spaces, seating, landscaping, and pathways to support active lifestyles and community connection and new toilet facilities.	Community Value, Quality Infrastructure, Funding Our Future	250,000	-	250,000	-	650,000	1,150,000	-	500,000	-	-	-	-
Prospect Road South Landscaping Improvement	Progress detailed design of Prospect Road South landscapng improvements	Community Value	-	-	-	-	80,000	80,000	-	-	-	-	-	-
Nottage Terrace Entry Statement	Design an welcoming landmark at the corner of Nottage Terrace and North East Road.	Community Value	-	-	-	-	45,000	45,000	-	-	-	-	-	-
Broadview Oval Nets	Install protective netting on northern side of oval to enhance safety for users while the oval is in use	Community Value	-	-	-	-	30,000	30,000	-	-	-	-	-	-
85 Prospect Road Wall Public Art	Create a large mural artwork to enhance street presence and deter tagging and graffiti.	Community Value	-	-	-	-	30,000	30,000	-	-	-	-	-	-
Torrens Rd Masterplan	Develop master plans for the Torrens Road Entry Statements, covering the corridor from Churchill Road to Fitzroy Terrace.	Community Value	-	-	-	-	-	-	-	-	80,000	80,000	-	-
St Helens Park Master Plan	Develop a master plan to optimise the use and functionality of current buildings and open spaces	Community Value, Quality Infrastructure	-	-	-	-	-	-	-	-	80,000	80,000	-	-
Prospect Gardens/ Narnu Wirra Resurfacing	Renew and enhance the existing tennis court facilities to improve playability, safety, and longevity.	Quality Infrastructure	-	-	-	-	-	-	-	-	200,000	200,000	-	-
Total			**250,000**	**-**	**250,000**	**-**	**1,013,000**	**1,513,000**	**-**	**500,000**	**360,000**	**360,000**	**-**	**-**

Income is dependent on sucessful application for grant funding


PROSPECT TOWN HALL
BOTTEGA
APERTURA
OTTOBRE 2023

Operating projects

✓ Top 4 | Community Value | Quality Infrastructure | Sustainability | Funding Our Future

Project name	Project description	Top 4	Strategic pillar	2025-2026 Expenditure	2025-2026 Income
Authority Altitude (SaaS) Upgrade	Upgrading Council's core business systems software over 18 months to a cloud based solution (2nd year).		Funding Our Future	175,000	-
Strategic Initiatives	Supports a skilled staff resource capable of managing a range of strategic project initiatives being progressed in 2025/26. These relate to Council and external projects being planned and delivered across transportation and open space asset classes in our city as well as projects in the fields of waste and asset management.	✓	Community Value, Quality Infrastructure, Sustainability	175,000	-
Festive Community Activation Fund	Grants to support new and existing community groups to activate and enhance the overall City of Prospect celebrations held during the festive season.		Community Value	18,125	-
Green Tunnel Planting Program	Increase the number of trees planted to enhance green tunnels as outlined in the Green Tunnel Planting Program as set out in the in the Tree Strategy 2021-2026.		Sustainability	110,000	-
Cavan Landfill Closure	Site is no longer in use and the mandatory closure period has completed (31 January 2025), there is an opportunity to surrender the licence and terminate the leasehold agreement.		Sustainability	25,000	-
Heritage Grant Program	The program will provide heritage grants to eligible Local Heritage listed properties to support and encourage heritage restoration work.		Community Value	21,857	-
Local Heritage Code Amendment	Usage of the heritage survey and thematic framework to prepare and submit a Code Amendment proposing additional Heritage Areas and Local Heritage Places to receive heritage protections.		Community Value	30,000	-
Ovingham Pocket Park Community Garden – Concept Design and Governance	Undertake a Concept Design in collaboration with the Churchill Rd Greening Group and review governance for a community garden at the Ovingham Pocket Park.		Community Value, Quality Infrastructure, Sustainability	25,000	-
Payinthi Kumangka Steering Committee	Fund the Payinthi Kumangka Community Advisory Group and Council activities focusing on Reconciliation.		Community Value	17,500	-
Prospect Portrait Prize	Continue the Prospect Portrait Prize (Art Recognition Program) into it's 13th exhibition.		Community Value	9,500	(3,500)
Repair Café at Nailsworth Hall	To establish and deliver a Prospect Repair Café based at the new Nailsworth Community Shed from mid 2025.		Community Value, Sustainability	15,371	-
Asset Management Plan – Open Space & Stormwater	The Open Space and Stormwater Asset Management Plans (documents) will be revised and updated to ensure compliance with the relevant legislation and alignment with current asset management practices. Following the review, the Long-Term Financial Plan will be updated to align with the Asset Management Plans.		Quality Infrastructure	65,000	-
Automated External Defibrillators (AEDs) Installation Program	The State Government has introduced legislation that requires Council owned buildings to have an AED installed by 1 January 2026. Remaining sites that were not applicable under the grant program are now included to ensure Council complies with the legislation and the January 1 2026 deadline.		Community Value, Quality Infrastructure	18,000	-
Drainage audits – CCTV Inspection program	Undertake CCTV Condition Audit of segments of the stormwater infrastructure.		Quality Infrastructure	50,000	-

Top 4 | Community Value | Quality Infrastructure | Sustainability | Funding Our Future

Project name	Project description	Top 4	Strategic pillar	2025-2026 Expenditure	2025-2026 Income
Integrated Transport Plan - Stage 1	Used to deliver a range of actions outlined in the Integrated Transport Plan, noting that the Plan is still being developed, the priority actions for Stage 1 may need to be revised.	✓	Quality Infrastructure	103,333	-
Public Art Program - operations	Public art investments across the City, including funding the Quick Response Art Grants, small initiatives and maintenance of existing public art.		Community Value	25,750	-
SAPN LED Lighting Upgrade	Work with SA Power Networks to upgrade Council's streetlights to more efficient LED lighting.		Quality Infrastructure, Sustainability, Funding Our Future	212,000	-
Significant Tree Grant Program	The program offers funding to support early, proactive maintenance activities in relation to Significant Trees.		Sustainability	17,833	-
Environmental Sustainability Strategy and Action Plan	Will review the existing Environmental Action Plan (2018-2022) and implement an updated and robust list of sustainability focused priorities and actions to closer align with the Strategic Community Plan.		Community Value, Sustainability	35,000	-
Significant Tree List Review	Review of the Significant Tree List resulting in a recommendation to Council as to whether a Code Amendment should be pursued to change the Prospect Significant Tree List.		Community Value, Sustainability	10,000	-
Sport and Recreation Development Budget	Supporting work with our sporting clubs through funding sport and recreation initiatives, including Northern Sport and Recreation Network quarterly workshops and school holidays incentive for sporting clubs. This initiative will strengthen our relationships with clubs and improve our governance in the lease and licensing space.		Community Value	8,000	-
FOGO – Trial Expansion	Expansion of the area of the Food Organics and Garden Organics (FOGO) trial	✓	Sustainability, Funding Our Future	93,700	-

Additional operating projects that have been considered as part of the 2025-2026 Annual Business Plan, Budget and Long-Term Financial Plan but remain **not funded** are:

Project	Description	Proposed budget allocation	Funding source
Village Heart Strategic Plan	Developing a Village Heart Strategy to take a holistic approach to the Village Heart precinct and address actions from the 2023-2027 Economic Development Growth Strategy.	$78,000	Additional rate increase of 0.27%
Resident Satisfaction Survey	Conducting a Resident Satisfaction Survey to establish baseline quantitative data, ensuring continuity of results, measurement, and review, noting the last survey was in 2022.	$30,000	Additional rate increase of 0.10%
Fleet management system	Implementing a dedicated software system to manage Council's fleet assets.	$20,000	Additional rate increase of 0.07%
Village Heart Long-Term Parking Solutions Study	Assessing the feasibility of off-street parking, exploring alternative parking management options, and identifying triggers for implementing these measures.	$35,000	Additional rate increase of 0.12%
Tour Down Under - Stage Start	Continuing to hold a Tour Down Under race start on Prospect Road in January 2026.	$111,063	Additional rate increase of 0.38%
Tour Down Under - Stage Start and street party	Continuing to hold a Tour Down Under race start on Prospect Road in January 2026, plus the return of Prospect Road's iconic street party.	$440,000	Additional rate increase of 1.52%



Renewal program by type and street

Works	Street name	From	To	Side
Footpath				
	Dean Street	Barker Road	Johns Road	North
	Henrietta Street	104W Main North Road	Main North Road	North
	Henrietta Street	Warren Avenue	104W Main North Road	North
	Ian Street	Hampstead Road	Council Boundary	South
	Gloucester Street	Prospect Terrace	115W Main North Road	North
	Redmond Street	D'Erlanger Avenue	North East Road	North
	Jellicoe Street	Galway Avenue	Hepburn Street	East
	Gloucester Street	Prospect Terrace	115W Main North Road	South
	Bridges Street	Collingrove Avenue	McInnes Avenue	East
Kerb and gutter				
	French Street	Sturdee Street	Brussels Street	Both
	Devonport Terrace	Allan Street	Elizabeth Street	Both
	Le Hunte Avenue	Prospect Road	Braund Road	Both
	Willilam Street	Albert Street	Charles Street	Both
	Henrietta Street	Warren Street	Main North Road	Both
	William Street	Charles Street	Redin Street	Both
	King Street	Charles Street	Redin Street	Both
	Gloucester Street	Prospect Terrace	Main North Road	Both
	French Street	Craddock Street	Galway Avenue	Both
*	*Arthur Street*	*Percy Street*	*Regency Road*	*Both*
*	*Harvey Street*	*D'Erlanger Avenue*	*North East Road*	*Both*
*	*Highbury Street*	*Bradford Street*	*Wilson Street*	*Both*
*	*Rose Street*	*Churchill Road*	*Braund Road*	*Both*
*	*Hudson Street*	*Edgeworth Street*	*Regency Road*	*Both*
*	*Braund Road*	*Rose Street*	*Vine Street*	*Both*
*	*Gray Street*	*Gordon Street*	*Farrant Street*	*Both*
*	*Hepburn Street*	*Jellicoe Street*	*Brooke Street*	*Both*
*	*Pulsford Road*	*Prospect Road*	*Main North Road*	*Both*
*	*Azalea Street/ Braund Road Junction*	*Azalea Street*	*Braund Road*	*Junction*
Road Resealing				
	Olive Street *R2R*	Prospect Road	Churchill Road	
	Albama Avenue	Hillsdale Street	Prospect Road	
	William Street	Charles Street	Redin Street	
	Burwood Avenue	Main North Road	D'Erlanger Avenue	
	Azalea and Braund Avenue	Intersection	Intersection	
	Devonport Terrace	Allan Street	Elizabeth Street	
	King Street	Charles Street	Redin Street	
	Harvey Street	D'Erlanger Avenue	North East Road	
*	*D'Erlanger Avenue*	*North Street*	*Harvey Street*	
*	*Henrietta Street*	*Warren Street*	*Main North Road*	
*	*Pulsford Road*	*Prospect Road*	*Main North Road*	
*	*Le Hunte*	*Braund Road*	*Prospect Road*	
*	*Gordon Road*	*Prospect Street*	*Gray Street*	

Items labelled with an asterisk (*) are projects identified as priorities, but currently lack funding. These projects will be reconsidered if additional funding becomes available or if there are budgetary savings.

Rating strategy and structure

Strategic development

In preparing the 2025-2026 Annual Business Plan, Budget and Long-Term Financial Plan, Council considers the impact of rate fluctuations on the community and prioritises keeping rate revenue to a responsible level. To achieve this, we apply our long-term financial principles (page 20) and ensure that everyone contributes their fair share based on property value.

Beyond these core principles, Council also considers the current economic climate when setting rates, including:

- Inflation rates and Consumer Price Index (CPI)
- Employment rates
- Council's Treasury Management Policy
- Legislative changes.

Inflation pressures continue to be a burden on both ratepayers and Council. To minimise this impact, Council is proposing an average rate increase of 3.9%.

2025-2026 rate increase

Total rates revenue

Funding from rates is forecast to see a total rate revenue increase of 5.4%, comprised of 3.9% from existing assessments (residential, commercial and vacant land), an additional 1.5% from new development.

Council rates are based on a percentage (rate-in-the-dollar) of an individual property's capital value. The actual rates payable may vary depending on:

- The property's value
- The property's usage (whether the property is residential, vacant or commercial land)
- Any recent renovations or improvements made to the property.



Average residential rate

The average residential rate (including development growth) is $2,382 compared to $2,289 in 2024-2025. This equates to an increase of approximately 4.06%, or around $93 per year.

Minimum rate

Pursuant to the *Local Government Act 1999*, a Council may impose a minimum amount which is payable by way of rates. 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. Where a Council imposes a minimum rate, it cannot apply to more than 35% of properties within the council area.

For the 2025–2026 financial year, Council has set a minimum rate of $1,556. The minimum rate will be applied to 3,184 (30%) of ratable properties.

In determining the minimum rate, this ensures everyone contributes a base amount to cover:

- Council administration costs
- Public infrastructure that benefits all properties
- General services available to all residents.

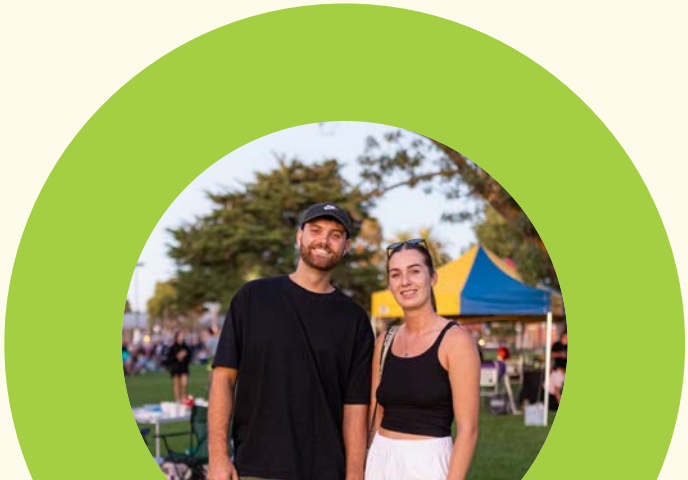
Method used to value land

The Valuer-General, an independent South Australian authority, is responsible for valuing all properties in the state under the *Valuation of Land Act 1971*. While valuations occur every five years, annual incremental valuations ensure equitable rates and taxes based on property value.

Council uses Capital Value for property valuation. This method offers a fair distribution of rates across residents for two reasons:

- Property value reflects wealth, and Capital Value closely estimates market value, giving the best overall picture of a property's worth
- The equity principle of taxation requires that ratepayers with similar wealth pay similar taxes, and those with more wealth pay more.

Property owners who disagree with their valuation can file an objection with the Valuer-General's Office for review. Objections must be submitted within 60 days of receiving the first rate notice for the year.




Garlic
Shandong

Trend in valuations

The following table shows the annual change in valuations over the past seven years, including growth, based upon valuation data prior to adoption.

Class	Increase in Value						
	2019 to 2020	2020 to 2021	2021 to 2022	2022 to 2023	2023 to 2024	2024 to 2025	2025 to 2026
Residential	7.20%	0.95%	3.79%	27.89%	15.19%	5.20%	11.61%
Non Residential	12.16%	2.19%	0.06%	(18.28)%	23.29%	7.89%	9.35%

Growth

Part 6 (2) of the Local Government (Financial Management) Regulations 2011, under the *Local Government Act 1999*, specifies that a growth rate can only relate to the increase in number of rateable properties.

Within City of Prospect, new rateable developments have tended to increase at a steady rate of 1% on average annually. For 2025-2026, the increase has been higher as a result of a number of multi-story developments having been completed. The expectation is that the City of Prospect will return to approximately 1% of growth for the future and remains consistent with expectations of the Long-Term Financial Plan

In the case of sub-divisions (single allotments being subdivided into multi-allotments), some minor timing difference in rateable assessment creation can be expected. This delay in recognition is not expected to be greater than a year or two, and therefore does not significantly impact on the forecasts of the Long-Term Financial Plan.

Statement on Expected Rate Revenue

A copy of the Expected Rate Revenue can be found in Appendix 6.



Differential general rates

In accordance with Section 156 of the *Local Government Act 1999*, Council applies a differential general rate each year. Instead of using property value alone, Council sets different rates based on how land is used. The following nine differential land use factors are considered:

1 **Residential:** Comprising the use of land for a detached dwelling, group dwelling, multiple dwelling, residential flat building, row dwelling, or semi detached dwelling.

2 **Commercial Shop:** Comprising the use of land for a shop.

3 **Commercial Office:** Comprising the use of land for an office.

4 **Commercial Other:** Comprising any other commercial use of land not referred to as a shop or office.

5 **Industry Light:** Comprising the use of land for a light industry.

6 **Industry Other:** Comprising any other industrial use of land not referred to as light industry.

7 **Primary Production:** Comprising farming, horticulture, horse keeping, intensive animal keeping, or in respect of a dairy situated on a farm (the use of land for a dairy).

8 **Vacant Land:** Comprising land, which is not being used for any purpose.

9 **Other:** Comprising any other use of land not referred to in the categories specified above.

For the 2025-2026 financial year, Council intends to continue with the following four differential rates:

- Residential rate, applied to differential factors 1, is expected to generate approximately 80.6% of general rate revenue
- Non-residential rate, applied to differential factors 2, 3, 4, 5, 6, 7 and 9, is expected to generate approximately 17.8% of general rate revenue
- Vacant land rate (non-residential), applied to differential factor 8, is expected to generate approximately 0.6% of general rate revenue.
- Vacant land rate (residential), applied to differential factor 8, is expected to generate approximately 1.1% of general rate revenue.

In addition, to encourage the development of vacant residential land within our city, Council increased the rate in the dollar applied to residential vacant land, to be the same as the rate in the dollar applied to non-residential rates. Further information is available in Appendix 6.



Village Heart Marketing Fund

Since 2017, the Prospect Road Village Heart has had a dedicated marketing and promotion fund to promote and support businesses within the Village Heart.

Funding comes from a separate rate levied specifically on non-residential properties along a defined stretch of Prospect Road, between Gladstone and Alpha Roads to the north and Buller and Ballville Roads to the south.

For the 2025-2026 financial year, each property will contribute $300. Total revenue is expected to be approximately $38,100.

These funds will be used for marketing initiatives and promotional works determined by the Prospect Road Village Heart Marketing Fund Committee and Council administration. Businesses that hold multiple adjacent tenancies within the designated area will continue to be eligible for rebates on their contributions.


THE CITY OF PROSPECT
About the Project

Long-Term **Financial Plan**

City of Prospect's Long-Term Financial Plan (LTFP) is a planning tool to map the financial sustainability of Council into the future whilst also meeting community priorities outlined in our Strategic Community Plan and community expectations regarding renewal of community assets through our Asset Management Plans.

The LTFP includes financial projections for the next 10 years and key financial indicators and targets. These projections and indicators help to inform both day-to-day and long-term decisions about affordability and timing on delivery of Council operations, new and existing services, and the renewal and construction of new community assets.

Each year the LTFP is reviewed to consider changes to the broader economic environment such as inflation and interest rates, changes in assets valuations and annual audited financial results.

In turn, the LTFP informs the Annual Business Plan and Budget by modelling the direct and indirect impact of annual budget decisions and options on future financial years and, in particular, the impact of these decisions on the achievement of the target range for each key financial indicator.



The LTFP is detailed in the appendices as follows:

- **Appendix 2 -** Assumptions and Key Financial Indicators
- **Appendix 3 -** LTFP as of June 2025
- **Appendix4** - 10 year project allocations

	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	34/35
Operating Surplus Ratio											
Snapshot	✓	↗	↗	↗	↗	↑	↑	↑	↑	↑	↑
Actual Ratio	1.94%	1.95%	3.10%	2.87%	2.96%	3.44%	4.26%	4.42%	5.22%	6.32%	9.36%
Net Financial Liabilities Ratio											
Snapshot	✓	✓	↗	↗	✓	✓	✓	✓	✓	✓	✓
Actual Ratio	68.55%	81.91%	85.33%	85.31%	84.03%	74.70%	74.54%	65.17%	59.73%	47.81%	41.84%
Asset Renewal Funding Ratio											
Snapshot	↑	↑	✓	✓	✓	✓	✓	✓	✓	✓	✓
Actual Ratio	155.07%	130.24%	98.87%	94.92%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Interest Cover Ratio											
Snapshot	↑	↗	↗	↗	↗	✓	✓	✓	✓	✓	✓
Actual Ratio	3.30%	2.90%	3.00%	3.06%	2.89%	2.61%	1.97%	2.15%	1.82%	1.38%	0.95%
Operating Surplus/(Deficit) ('000s)											
Forecasted	627	657	1,080	1,022	1,088	1,303	1,670	1,787	2,181	2,726	4,172
Balance of Cash Advance Debenture @ 30 June ('000s)											
Forecasted	1,355	8,171	9,626	11,392	12,417	10,908	21,039	19,086	18,314	14,244	12,155

↓ Below target ✓ Within target ↗ Within target but at top end ↑ Above target

The LTFP is detailed in the appendices as follows

- **Appendix 2:** Assumptions and Key Financial Indicators
- **Appendix 3:** LTFP as of April 2025
- **Appendix 4:** 10 year indicative project listing

CEO Sustainability Report

In accordance with Section 122 (4a) of the Local Government Act 1999, this report provides an overview of the long-term financial sustainability of the City of Prospect, considering the proposed Annual Business Plan and Strategic Management Plan.

Council defines financial sustainability as the ability to consistently meet planned long-term service and infrastructure levels and standards without resorting to unplanned and disruptive rate increases or service reductions. Key financial indicators are used to monitor Council's performance in achieving this.

Indicator	Long-Term Financial Plan (LTFP) target	Target met	
Operating Surplus Ratio	-1% to 3% annually	✓	1.95%
Net Financial Liabilities Ratio	less than 90%	✓	81.91%
Asset Sustainability Ratio	90% to 120%	↑	130.24%
Interest Cover Ratio	0% to 3%	✓	2.90%



Currently, the net financial liabilities and interest cover ratios are approaching the upper limits of their target thresholds, primarily due to the financing of the 142-148 Main North Road acquisition. The Asset Renewal Funding Ratio is currently above the target due to expenditure above what asset management plans indicate. Council has started the review process of the asset management plans and is expecting to have these completed by the end of the 2025-2026 year.

Indicator	Long-Term Financial Plan (LTFP) target	Target Met
Operating Surplus Ratio	0% to 2% (over a 5 year average period)	✓ 2.86%
Net Financial Liabilities Ratio	less than 90% (over a 5 year average period)	✓ 82.26%

Council expects a continued reliance on Cash Advance Debenture (CAD) facilities to fund multi-year capital projects.

During the development of the 2025-2026 Annual Business Plan, Budget and Long-Term Financial Plan, Elected Members prioritised the ongoing provision of essential services, considered community expectations, and recognised the need for continuous improvement in city infrastructure and service delivery. This was balanced with careful consideration of Council's financial sustainability, the prevailing inflationary environment, and increased cost of living pressures.

The projected increases in total rates revenue over the next 10 years, which include growth from residential and non-residential development, reflect the anticipated rise in the cost of delivering services to the community and are informed by economic forecasts from the Reserve Bank of Australia and Deloitte/Access Economics.

25-26	26-27	27-28	28-29	29-30	30-31	31-32	32-33	33-34	34-35
5.40%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%

Council's prudent budgeting over recent years has resulted in the 2025-2034 Long-Term Financial Plan projecting overall rates revenue increases that align with anticipated inflation levels, in addition to growth. These projections are significantly dependent on the accuracy of inflationary forecasts.

The Long-Term Financial Plan incorporates capital works, operating projects, and recurrent budget adjustments over a 10-year period, based on previous Council decisions, future initiatives, and actual financial data from the preceding year. The Long-Term Financial Plan summarises potential future projects and services that were known at the time of preparing the 2025-2026 Annual Business Plan and Budget.

While the specific details and timing of these future projects remain subject to further Council deliberation, their inclusion in the Long-Term Financial Plan allows for improved long-term financial forecasting and management.

Council undertakes a review and update of these underlying assumptions at least once per year. As such, any risks to Council's financial sustainability arising from changes to these assumptions are generally identified in a timely manner, enabling Council to consider necessary adjustments.

It is important to note that any changes to the assumptions underpinning the Annual Business Plan and Budget will have a corresponding impact on Council's financial sustainability ratios.

The current Long-Term Financial Plan projects an operating surplus throughout its 10-year timeframe, which is predicated on future rate increases and inflationary pressures effectively offsetting future cost impacts on Council operations.





Appendix 1
Financial statements



Financial statements

Proposed **Uniform Presentation of Finances** for the period ended 30 June 2026	Original Budget **2024-2025** **$ '000**	Revised Forecast Budget **2024-2025** **$ '000**	Proposed **2025-2026** **$ '000**
Income			
Rates Revenues	27,893	27,893	29,375
Statutory Charges	1,177	1,177	1,288
User Charges	860	872	629
Grants, Subsidies and Contributions - Operating	1,812	1,911	1,830
Grants, Subsidies and Contributions - Capital	-	-	-
Investment Income	69	119	35
Reimbursements	270	270	78
Other Income	83	91	519
Net Gain - Equity Accounted Council Businesses	14	14	14
	32,177	**32,346**	**33,767**
Expenses			
Employee Costs	11,034	11,164	11,891
Materials, Contracts & Other Expenses	12,240	12,513	12,840
Depreciation, Amortisation & Impairment	7,014	7,014	7,402
Finance Costs	1,119	1,119	977
	31,406	**31,810**	**33,110**
Operating Surplus / (Deficit)	**771**	**537**	**657**
Net Outlays on Existing Assets			
Capital Expenditure on Renewal and Replacement of Existing Assets	(5,654)	(8,198)	(11,501)
Finance Lease Payments for Right of Use Assets	-	(75)	(87)
add back Depreciation, Amortisation and Impairment	7,014	7,014	7,402
add back Proceeds from Sale of Replaced Assets	115	115	89
Total Net Outlays on Existing Assets	**1,474**	**(1,145)**	**(4,097)**
Net Outlays on New and Upgraded Assets			
Capital Expenditure on New and Upgraded Assets	(14,609)	(7,877)	(11,781)
add back Amounts Received Specifically for New and Upgraded Assets	8,366	6,790	9,433
add back Proceeds from Sale of Surplus Assets	-	-	-
Total Net Outlays on New and Upgraded Assets	**(6,243)**	**(1,087)**	**(2,348)**
Annual Net Impact to Financing Activities (surplus/(deficit))	**(3,998)**	**(1,695)**	**(5,788)**

Financial statements

Proposed **Statement of Comprehensive Income** for the period ended 30 June 2026	Original Budget **2024-2025** **$ '000**	Revised Forecast Budget **2024-2025** **$ '000**	Proposed **2025-2026** **$ '000**
Income			
Rates Revenues	27,893	27,893	29,375
Statutory Charges	1,177	1,177	1,288
User Charges	860	872	629
Grants, Subsidies and Contributions - Operating	1,812	1,911	1,830
Grants, Subsidies and Contributions - Capital	-	-	-
Investment Income	69	119	35
Reimbursements	270	270	78
Other Income	83	91	519
Net Gain - Equity Accounted Council Businesses	14	14	14
Total Income	**32,177**	**32,346**	**33,767**
Expenses			
Employee Costs	11,034	11,164	11,891
Materials, Contracts & Other Expenses	12,240	12,422	12,840
Depreciation, Amortisation & Impairment	7,014	7,014	7,402
Finance Costs	1,119	1,119	977
Total Expenses	**31,406**	**31,719**	**33,110**
Operating Surplus / (Deficit)	**771**	**628**	**657**
Asset Disposal & Fair Value Adjustments	115	115	163
Amounts Received Specifically for New or Upgraded Assets	8,995	7,134	9,661
Net Surplus / (Deficit)	**9,881**	**7,877**	**10,574**
Other Comprehensive Income			
Transfer to Accumulated Surplus on Sale of Revalued I,PP&E	5,880	5,880	5,039
Total Comprehensive Income	**15,761**	**13,757**	**15,520**

Financial statements

Proposed **Statement of Financial Position** for the period ended 30 June 2026	Original Budget **2024-2025** **$ '000**	Revised Forecast Budget **2024-2025** **$ '000**	Proposed **2025-2026** **$ '000**
Assets			
Current Assets			
Cash and Cash Equivalents	50	50	50
Trade & Other Receivables	2,920	2,270	2,306
Inventories	2	3	3
Total Current Assets	**2,972**	**2,323**	**2,360**
Non-Current Assets			
Financial Assets	269	288	288
Equity Accounted Investments in Council Businesses	182	157	171
Infrastructure, Property, Plant & Equipment	291,022	310,608	331,602
Other Non-Current Assets	3,614	3,310	3,310
Total Non-Current Assets	**295,087**	**314,363**	**335,370**
Total Assets	**298,059**	**316,687**	**337,730**
Liabilities			
Current Liabilities			
Cash Advance Debenture	8,530	1,355	8,171
Trade & Other Payables	4,381	4,383	4,562
Borrowings	1,680	1,580	987
Provisions	1,599	1,690	1,690
Other Current Liabilities	-	-	108
Total Current Liabilities	**16,190**	**9,008**	**15,518**
Non-Current Liabilities			
Borrowings	15,864	15,666	14,679
Provisions	98	108	108
Total Non-Current Liabilities	**15,962**	**15,774**	**14,787**
Total Liabilities	**32,152**	**24,782**	**30,305**
Net Assets	**265,908**	**291,905**	**307,425**
Equity			
Accumulated Surplus	92,333	88,083	98,564
Asset Revaluation Reserves	168,512	199,482	204,521
Other Reserves	4,432	4,340	4,340
Total Equity	**265,278**	**291,905**	**307,425**

Financial statements

Proposed **Statement of Changes in Equity** for the period ended 30 June 2026	Original Budget **2024-2025** **$ '000**	Revised Forecast Budget **2024-2025** **$ '000**	Proposed **2025-2026** **$ '000**
Accumulated Surplus	92,333	88,083	98,564
Asset Revaluation Reserve	168,512	199,482	204,521
Other Reserves	4,432	4,340	4,340
Balance at the end of period	**265,278**	**291,905**	**307,425**



Financial statements

Proposed **Statement of Cash Flows** for the period ended 30 June 2026	Original Budget **2024-2025** **$ '000**	Revised Forecast Budget **2024-2025** **$ '000**	Proposed **2025-2026** **$ '000**
Cash Flows from Operating Activities			
Receipts			
Operating Receipts	32,014	32,797	33,687
Investment Receipts	71	144	37
Payments			
Operating Payments to Suppliers and Employees	(23,358)	(22,358)	(24,474)
Finance Payments	(1,119)	(1,118)	(977)
Net Cash provided by (or used in) Operating Activities	**7,608**	**9,465**	**8,273**
Cash Flows from Investing Activities			
Receipts			
Amounts Received Specifically for New/Upgraded Assets	8,366	6,790	9,433
Sale of Replaced Assets	115	115	89
Repayments of Loans by Community Groups	235	235	251
Payments			
Expenditure on Renewal/Replacement of Assets	(5,654)	(8,199)	(11,501)
Expenditure on New/Upgraded Assets	(14,609)	(7,877)	(11,781)
Net Cash provided by (or used in) Investing Activities	**(11,548)**	**(8,935)**	**(13,509)**
Cash Flows from Financing Activities			
Receipts			
Proceeds from CAD	-	-	6,816
Proceeds from Borrowings	5,604	-	-
Payments			
Repayments of CAD	-	(535)	-
Repayments of Borrowings	(1,589)	(1,589)	(1,502)
Repayment of Lease Liabilities	(75)	(75)	(78)
Net Cash provided by (or used in) Financing Activities	**3,940**	**(2,199)**	**5,236**
Net Increase (Decrease) in Cash Held	**-**	**(1,669)**	**-**
plus: Cash & Cash Equivalents at beginning of period	**50**	**1,719**	**50**
Cash & Cash Equivalents at end of period	**50**	**50**	**50**

Appendix 2
Long-Term Financial Plan
Key Financial Indicators (KFIs) and assumptions

2024-2025 Budget strategic parameters - financial sustainability

This section provides information about the assumptions Council's Long-Term Financial Plan is based on, and a discussion around three key indicators of Council's financial performance and financial positions for the next 10 years.

These indicators measure Council's sustainability of its long-term financial performance. Financial sustainability is defined as whether Council will have the financial capacity to continue to exist in the long-term.

Analysis on each of the indicators is included in the following sections of the document.

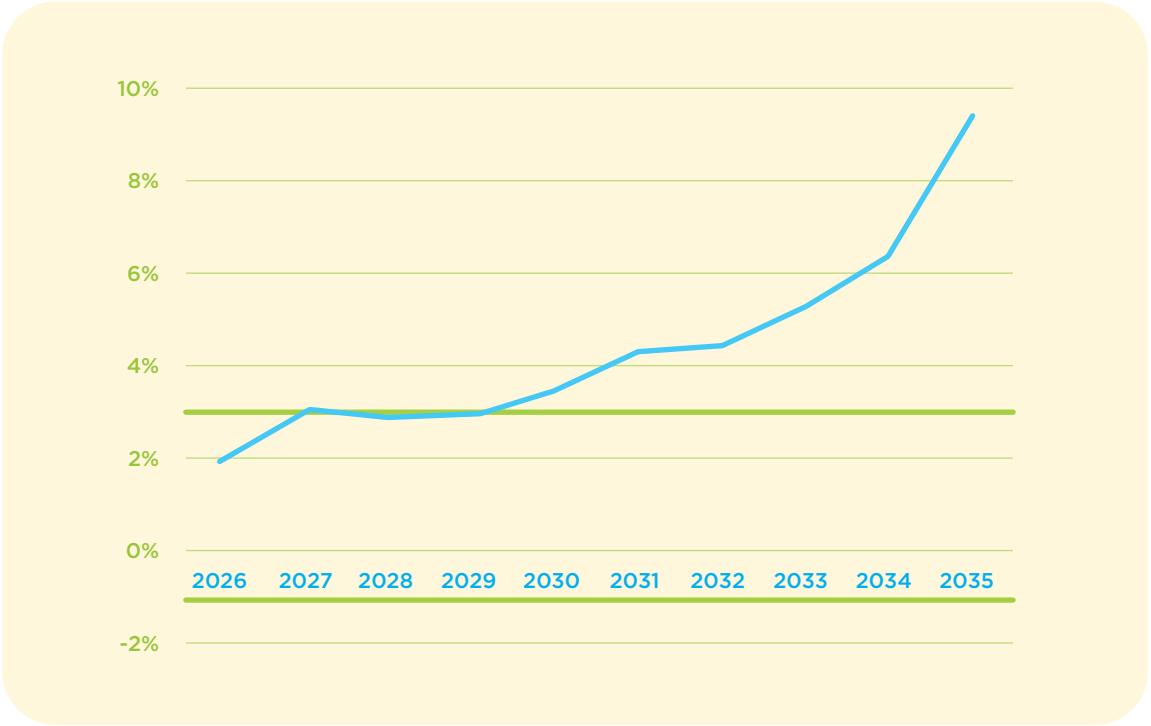
2025-26 to 2034-35 Long-Term Financial Plan assumptions

	25-26	26-27	27-28	28-29	29-30	30-31	31-32	32-33	33-34	34-35
Increase in Operating Expenditures	3.00%	3.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Increase in Employee Costs (excl SGL)	3.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Increase in Capital Expenditure	3.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Increase in CPI for Non-Rates and Grant Income. Calculated using the incremental historic average of CPI (min 2.5%)	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Projected increase in Total Rate Revenue (inclusive of Growth)	5.4%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
Projected increase in Total Rate Revenue sourced from Development Growth	1.50%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Projected average residential rate increase Rate Revenue	3.90%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Increase in Grants Commission Grant Revenue	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Interest Rate projections on CAD	5.80%	5.75%	5.50%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Federal Grants continuity	Assumed four instalments of Financial Assistance Grants. Other grants received are included as per current agreements. For example, Roads to Recovery is currently a 5-year program and in Year 2 for 2025-26, also the Commonwealth Home Support Program (CHSP) ins currently a 2-year program and in Year 1 for 2025-26.									
Employee Costs: Superannuation	Legislative changes to Superannuation Guarantee of stepped increase to 12% between 2021-22 and 2025-26									
Asset Valuation	Fluctuation in Asset Valuation is linked to CPI in the Long-Term Financial Plan. Asset classes recorded at cost and not revalued under policy are not indexed. Indexation has been paused for Building Assets following the construction of Payinthi as this large portion of the asset class is carried at cost.									
Depreciation	Depreciation Methodology remained consistent with 2024-2025. Budgeted financial statements as at 30 June 2025 used to identify effective depreciation rate for new initiatives. Proposed new capital assets are included in the depreciation calculations the year after their completion at the depreciation rate relevant to the asset category.									
Capital Expenditure	• Refer to the 10-year capital expenditure plan in this section. • Capital Expenditure Budgets are indexed in the Long-term financial plan. • Assumes No Policy Change. • The ongoing depreciation and material increases in maintenance expenses associated with capital projects on new/upgraded assets have been factored into the Council's Long-Term Financial Plan.									
Loan Principal and Interest Repayment	As per the Loan Schedule. One new loan is proposed and included in the Long-term financial plan for $1m over 5 years. This is directly related to the proposed Broadview Tennis Club project, which is subject to grant funding. The Cash Advance Debenture Facilities have been used to meet financing needs across the Long-term financial plan.									

Operating Surplus Ratio

The Operating Surplus Ratio expresses the operating surplus or deficit as a percentage of total income. A positive ratio indicates the portion of income available to fund capital expenditures beyond what's needed for depreciation, or the capacity to reduce net financial liabilities (debt).

Operating Surplus Ratio



Council has adopted target ranges for the Operating Surplus Ratio of -1% to 3% annually (indicated by the green lines on the graph), and minimum 0% for the five-year average.

The operating ratio for 2025-2026 is 1.95%. The ratio is within Council's target range.

Future years beyond 2028-2029 as indicated are above Council's target range due to the following key strategic initiatives:

- Projected rate increase to fund required capital expenditure identified in Council's Asset Management Plans and repayment of borrowings
- Future surpluses required to commence repayment of Cash Advance Debenture Loans.

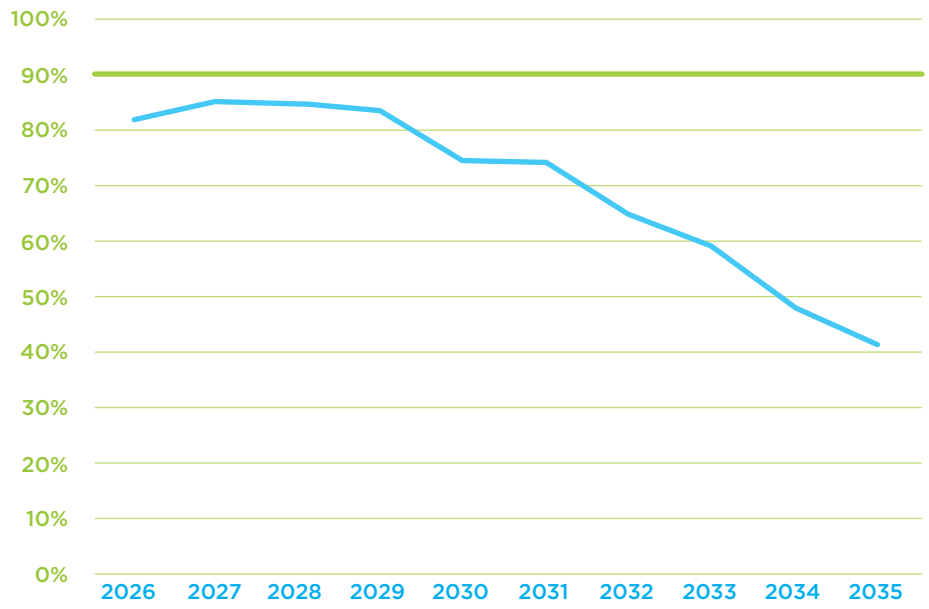
The projected five-year average operating surplus ratio is 2.86%. This is within the five-year average target range of between 0% and 3%.

Net Financial Liabilities Ratio



The Net Financial Liabilities Ratio assesses Council's ability to service its net financial obligations (loans, accounts payable, etc.) using its total operating income. In simpler terms, this ratio shows how comfortably Council's income can cover any outstanding debts.

Net Financial Liabilities Ratio



Council aims to maintain a Net Financial Liabilities Ratio below 90% (represented by the green line on the graph). This ratio reflects Council's ability to manage its outstanding debts (loans, accounts payable, etc.) with its ongoing income (operating revenue).

The projected Net Financial Liabilities Ratio for June 30th, 2026, is expected to be 81.91%, with the highest ratio expected to be in 2026-2027 at 85.33%, well within the target range. Positive cash flow projections indicate that this ratio will continue to trend downwards from 2027-2028 onwards as existing borrowings are repaid.

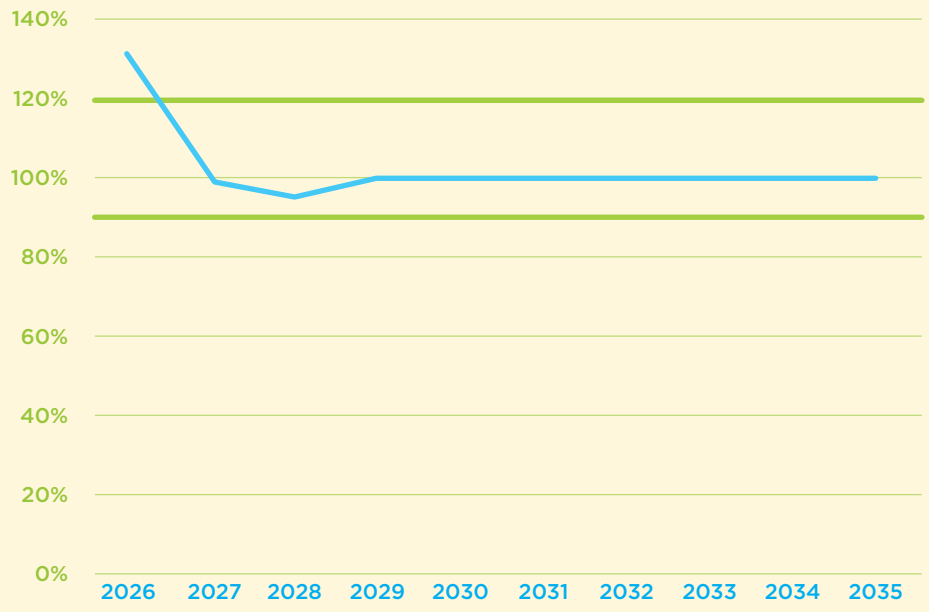
Moving forward, short- to medium-term financing needs will primarily be addressed through Cash Advance Debenture Loans, with the current facility approved of up to $11m. While further borrowing capacity exists based on the Net Financial Liabilities Ratio, the Operating Surplus Ratio also needs to be considered to cover loan interest payments.



Asset Renewal Funding Ratio

The Asset Renewal Ratio measures how effectively Council is replacing or renewing its non-financial assets (buildings, equipment, etc.) in line with their depreciation (capital expenditure on renewals), compared to the average funding recommended by Council's Asset Management Plans, or AMPs). In simpler terms, this ratio shows if Council is reinvesting enough to maintain its assets over time.

Asset Renewal Funding Ratio



Council has established a target range of 90% to 120% for the Asset Renewal Funding Ratio (represented by the green lines on the graph). This ratio assesses the adequacy of capital expenditures allocated for asset renewals and replacements compared to the total funding needs outlined in Council's AMPs.

For the 2025-2026 financial year, Council's Asset Renewal Funding Ratio is projected to be 130.24%. This figure is derived from the planned capital expenditure for asset renewals and replacements, minus any revenue from asset trade-ins, divided by the total AMP expenditure requirement for that year. While currently exceeding the target range, this higher ratio reflects a focus on proactive asset renewal in the coming year, particularly for stormwater/drainage assets with the work being completed on Churchill Road.

LTFP Key Performance Indicators and dashboard summary

	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	34/35
Operating Surplus Ratio											
Snapshot	✓	↗	↗	↗	↗	↑	↑	↑	↑	↑	↑
Actual Ratio	1.94%	1.95%	3.10%	2.87%	2.96%	3.44%	4.26%	4.42%	5.22%	6.32%	9.36%
Net Financial Liabilities Ratio											
Snapshot	✓	✓	↗	↗	✓	✓	✓	✓	✓	✓	✓
Actual Ratio	68.55%	81.91%	85.33%	85.31%	84.03%	74.70%	74.54%	65.17%	59.73%	47.81%	41.84%
Asset Renewal Funding Ratio											
Snapshot	↑	↑	✓	✓	✓	✓	✓	✓	✓	✓	✓
Actual Ratio	155.07%	130.24%	98.87%	94.92%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Interest Cover Ratio											
Snapshot	↑	↗	↗	↗	↗	✓	✓	✓	✓	✓	✓
Actual Ratio	3.30%	2.90%	3.00%	3.06%	2.89%	2.61%	1.97%	2.15%	1.82%	1.38%	0.95%
Operating Surplus/(Deficit) ('000s)											
Forecasted	627	657	1,080	1,022	1,088	1,303	1,670	1,787	2,181	2,726	4,172
Balance of Cash Advance Debenture @ 30 June ('000s)											
Forecasted	1,355	8,171	9,626	11,392	12,417	10,908	21,039	19,086	18,314	14,244	12,155

↓ Below target ✓ Within target ↗ Within Target but at top end ↑ Above target

Appendix 3
Long-Term Financial Plan
Updated June 2025



Statement of Comprehensive Income

10 Year Financial Plan for the Years ending 30 June

	Actuals	Current Year	Projected Years									
	2023/24 $	2024/25 $	2025/26 $	2026/27 $	2027/28 $	2028/29 $	2029/30 $	2030/31 $	2031/32 $	2032/33 $	2033/34 $	2034/35 $
Income												
Rates	26,439,000	27,893,224	29,374,568	30,390,800	31,442,382	32,530,544	33,656,564	34,821,759	36,027,497	37,275,190	38,566,301	39,902,344
Statutory Charges	1,467,000	1,176,500	1,287,705	1,319,898	1,352,895	1,386,718	1,421,386	1,456,920	1,493,343	1,530,677	1,568,944	1,608,168
User Charges	672,000	872,500	628,820	641,138	632,166	647,970	664,170	680,774	697,793	715,238	733,119	751,447
Grants, Subsidies and Contributions - operating	869,000	1,910,090	1,829,762	1,841,903	1,488,665	1,497,394	1,506,212	1,515,117	1,524,111	1,533,195	1,542,370	1,551,637
Investment Income	182,000	119,168	35,265	18,933	2,982	-	-	-	-	-	-	-
Reimbursements	108,000	269,960	78,210	80,165	82,169	84,224	86,329	88,487	90,700	92,967	95,291	97,673
Other Income	183,000	91,150	519,070	532,046	545,348	558,981	572,956	587,280	601,962	617,011	632,436	648,247
Net Gain - Equity Accounted Council Businesses	11,000	13,800	13,800	13,800	13,800	13,800	13,800	13,800	13,800	13,800	13,800	13,800
Total Income	**29,931,000**	**32,346,391**	**33,767,200**	**34,838,684**	**35,560,407**	**36,719,632**	**37,921,416**	**39,164,137**	**40,449,206**	**41,778,078**	**43,152,261**	**44,573,316**
Expenses												
Employee Costs	10,420,000	11,164,823	11,891,207	12,027,655	12,075,780	12,396,218	12,724,666	13,061,326	13,406,402	13,760,105	14,122,650	14,494,260
Materials, Contracts & Other Expenses	10,797,000	12,422,739	12,839,862	12,956,883	13,185,789	13,544,833	13,883,454	14,276,418	14,586,304	14,850,962	15,324,735	15,707,854
Depreciation, Amortisation & Impairment	6,330,000	7,013,527	7,401,815	7,730,555	8,189,771	8,628,883	9,020,658	9,387,073	9,799,042	10,226,951	10,384,416	9,773,683
Finance Costs	874,000	1,118,654	977,180	1,043,258	1,086,876	1,061,878	989,607	769,764	870,718	759,535	593,964	425,594
Net loss - Equity Accounted Council Businesses	21,000	-	-	-	-	-	-	-	-	-	-	-
Total Expenses	**28,442,000**	**31,719,743**	**33,110,063**	**33,758,351**	**34,538,216**	**35,631,812**	**36,618,385**	**37,494,581**	**38,662,467**	**39,597,554**	**40,425,766**	**40,401,390**
Operating Surplus / (Deficit)	**1,489,000**	**626,648**	**657,137**	**1,080,332**	**1,022,191**	**1,087,820**	**1,303,030**	**1,669,556**	**1,786,739**	**2,180,524**	**2,726,496**	**4,171,926**
Asset Disposal & Fair Value Adjustments	(4,322,000)	115,000	163,000	333,000	160,000	186,000	186,000	186,000	150,000	150,000	150,000	150,000
Amounts Received Specifically for New or Upgraded Assets	1,491,000	7,134,019	9,661,334	3,483,000	3,483,000	-	1,000,000	-	1,000,000	-	1,000,000	-
Net Surplus / (Deficit)	**(1,342,000)**	**7,875,667**	**10,481,471**	**4,896,332**	**6,073,363**	**1,273,820**	**2,489,030**	**1,855,556**	**2,936,739**	**2,330,524**	**3,876,496**	**4,321,926**
Other Comprehensive Income (Amounts which will not be reclassified subsequently to operating result)												
Changes in Revaluation Surplus - I,PP&E	38,474,000	5,880,345	5,038,850	5,212,197	5,342,795	5,466,928	5,575,883	5,713,179	5,864,083	6,025,625	6,804,193	6,545,780
Total Other Comprehensive Income	**38,474,000**	**5,880,345**	**5,038,850**	**5,212,197**	**5,342,795**	**5,466,928**	**5,575,883**	**5,713,179**	**5,864,083**	**6,025,625**	**6,804,193**	**6,545,780**
Total Comprehensive Income	**37,132,000**	**13,756,012**	**15,520,320**	**10,108,530**	**11,416,157**	**6,740,748**	**8,064,913**	**7,568,735**	**8,800,822**	**8,356,149**	**10,680,689**	**10,867,706**

Estimated Statement of Financial Position (Balance Sheet)

Statement of Financial Position 10 Year Financial Plan for the Years ending 30 June	Actuals 2023/24 $	Current Year 2024/25 $	Projected Years 2025/26 $	2026/27 $	2027/28 $	2028/29 $	2029/30 $	2030/31 $	2031/32 $	2032/33 $	2033/34 $	2034/35 $
Assets												
Current Assets												
Cash and Cash Equivalents	1,719,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Trade & Other Receivables	2,561,000	2,269,759	2,306,485	1,782,650	1,910,420	1,509,780	1,642,334	1,596,615	1,730,805	1,684,635	1,824,794	1,783,685
Inventories	3,000	3,392	3,506	3,538	3,589	3,678	3,770	3,877	3,961	4,033	4,162	4,266
Total Current Assets	**4,283,000**	**2,323,152**	**2,359,991**	**1,836,188**	**1,964,009**	**1,563,459**	**1,696,105**	**1,650,492**	**1,784,767**	**1,738,668**	**1,878,956**	**1,837,951**
Non-Current Assets												
Financial Assets	560,000	288,130	288,130	288,130	288,130	288,130	288,130	288,130	288,130	288,130	288,130	288,130
Equity Accounted Investments in Council Businesses	143,000	156,800	170,600	184,400	198,200	212,000	225,800	239,600	253,400	267,200	281,000	294,800
Infrastructure, Property, Plant & Equipment	295,667,000	310,608,470	331,601,580	343,762,091	355,774,604	363,019,767	368,545,028	376,963,269	382,916,641	389,852,275	396,197,525	405,068,385
Other Non-Current Assets	3,310,000	3,310,000	3,310,000	3,310,000	3,310,000	3,310,000	3,310,000	3,310,000	3,310,000	3,310,000	3,310,000	3,310,000
Total Non-Current Assets	**299,680,000**	**314,363,400**	**335,370,310**	**347,544,621**	**359,570,934**	**366,829,897**	**372,368,958**	**380,800,999**	**386,768,171**	**393,717,605**	**400,076,655**	**408,961,315**
Total Assets	**303,963,000**	**316,686,552**	**337,730,301**	**349,380,809**	**361,534,943**	**368,393,356**	**374,065,063**	**382,451,492**	**388,552,937**	**395,456,274**	**401,955,610**	**410,799,266**
Liabilities												
Current Liabilities												
Cash Advance Debenture	1,890,000	1,355,158	8,170,802	9,625,562	11,392,189	12,417,340	10,908,219	21,039,437	19,086,089	18,314,467	14,244,461	12,154,716
Trade & Other Payables	3,217,000	4,383,101	4,562,490	4,615,458	4,686,270	4,807,771	4,932,464	5,073,908	5,191,763	5,297,173	5,464,877	5,606,847
Borrowings	1,664,000	1,579,600	987,044	1,212,926	1,145,287	1,127,985	9,577,157	989,126	914,974	410,633	211,148	-
Provisions	1,680,000	1,689,994	1,689,994	1,689,994	1,689,994	1,689,994	1,689,994	1,689,994	1,689,994	1,689,994	1,689,994	1,689,994
Other Current Liabilities	-	-	107,996	218,692	332,155	448,455	567,662	689,850	815,092	943,466	1,075,048	1,209,920
Total Current Liabilities	**8,451,000**	**9,007,853**	**15,518,325**	**17,362,631**	**19,245,895**	**20,491,545**	**27,675,496**	**29,482,315**	**27,697,912**	**26,655,732**	**22,685,527**	**20,661,477**
Non-Current Liabilities												
Borrowings	17,245,000	15,665,681	14,678,637	14,376,309	13,231,022	12,103,037	2,525,880	1,536,755	621,781	211,148	-	-
Provisions	118,000	108,006	108,006	108,006	108,006	108,006	108,006	108,006	108,006	108,006	108,006	108,006
Total Non-Current Liabilities	**17,363,000**	**15,773,687**	**14,786,643**	**14,484,315**	**13,339,028**	**12,211,043**	**2,633,887**	**1,644,761**	**729,787**	**319,154**	**108,007**	**108,007**
Total Liabilities	**25,814,000**	**24,781,540**	**30,210,313**	**31,749,975**	**32,482,593**	**32,595,120**	**30,196,519**	**31,008,545**	**28,303,217**	**26,844,154**	**22,656,238**	**20,625,294**
Net Assets	**278,149,000**	**291,905,012**	**307,425,332**	**317,533,862**	**328,950,019**	**335,690,767**	**343,755,681**	**351,324,416**	**360,125,238**	**368,481,388**	**379,162,076**	**390,029,782**
Equity												
Accumulated Surplus	80,207,000	88,082,667	98,564,138	103,460,470	109,533,833	110,807,653	113,296,683	115,152,240	118,088,979	120,419,503	124,295,998	128,617,924
Asset Revaluation Reserves	193,602,000	199,482,345	204,521,194	209,733,392	215,076,187	220,543,114	226,118,998	231,832,176	237,696,260	243,721,885	250,526,078	257,071,858
Other Reserves	4,340,000	4,340,000	4,340,000	4,340,000	4,340,000	4,340,000	4,340,000	4,340,000	4,340,000	4,340,000	4,340,000	4,340,000
Total Equity	**278,149,000**	**291,905,012**	**307,425,332**	**317,533,862**	**328,950,019**	**335,690,767**	**343,755,681**	**351,324,416**	**360,125,238**	**368,481,388**	**379,162,076**	**390,029,782**

Estimated Statement of Changes in Equity

Statement of Changes in Equity 10 Year Financial Plan for the Years ending 30 June	Actuals 2023/24 $	Current Year 2024/25 $	Projected Years 2025/26 $	2026/27 $	2027/28 $	2028/29 $	2029/30 $	2030/31 $	2031/32 $	2032/33 $	2033/34 $	2034/35 $
Opening Balance	241,017,000	278,149,000	291,905,012	307,517,984	317,630,834	329,052,349	335,798,235	343,868,544	351,442,946	360,249,720	368,612,120	379,299,372
Net Surplus / (Deficit) for Year	(1,342,000)	7,875,667	10,481,471	4,896,332	6,073,363	1,273,820	2,489,030	1,855,556	2,936,739	2,330,524	3,876,496	4,321,926
Other Comprehensive Income												
Gain (Loss) on Revaluation of I,PP&E	38,474,000	5,880,345	5,038,850	5,212,197	5,342,795	5,466,928	5,575,883	5,713,179	5,864,083	6,025,625	6,804,193	6,545,780
Other Comprehensive Income	38,474,000	5,880,345	5,038,850	5,212,197	5,342,795	5,466,928	5,575,883	5,713,179	5,864,083	6,025,625	6,804,193	6,545,780
Total Comprehensive Income	37,132,000	13,756,012	15,520,320	10,108,530	11,416,157	6,740,748	8,064,913	7,568,735	8,800,822	8,356,149	10,680,689	10,867,706
Equity - Balance at end of the reporting period	278,149,000	291,905,012	307,425,332	317,533,862	328,950,019	335,690,767	343,755,681	351,324,416	360,125,238	368,481,388	379,162,076	390,029,782



Statement of Cash Flows
10 Year Financial Plan for the Years ending 30 June

	Actuals	Current Year	Projected Years									
	2023/24 $	2024/25 $	2025/26 $	2026/27 $	2027/28 $	2028/29 $	2029/30 $	2030/31 $	2031/32 $	2032/33 $	2033/34 $	2034/35 $
Cash Flows from Operating Activities												
Receipts												
Rates Receipts	25,810,000	28,154,168	29,362,191	30,382,309	31,433,595	32,521,452	33,647,155	34,812,024	36,017,422	37,264,765	38,555,513	39,891,181
Statutory Charges	1,467,000	1,398,492	1,273,245	1,315,712	1,348,605	1,382,320	1,416,878	1,452,300	1,488,607	1,525,822	1,563,968	1,603,067
User Charges	672,000	930,813	660,507	639,536	633,333	645,915	662,063	678,615	695,580	712,970	730,794	749,064
Grants, Subsidies and Contributions (operating purpose)	869,000	1,912,562	1,837,014	1,840,807	1,520,556	1,496,606	1,505,415	1,514,313	1,523,299	1,532,375	1,541,542	1,550,800
Investment Receipts	182,000	143,730	37,224	19,315	3,355	70	-	-	-	-	-	-
Reimbursements	108,000	275,019	90,309	80,042	82,043	84,094	86,196	88,351	90,560	92,824	95,145	97,523
Other	613,000	126,074	463,425	530,359	543,618	557,208	571,139	585,417	600,053	615,054	630,430	646,191
Payments												
Payments to Employees	(10,405,000)	(11,012,988)	(11,855,649)	(12,023,676)	(12,074,377)	(12,386,873)	(12,715,088)	(13,051,508)	(13,396,339)	(13,749,790)	(14,112,078)	(14,483,423)
Payments for Materials, Contracts & Other Expenses	(12,364,000)	(11,344,646)	(12,618,505)	(12,814,385)	(13,022,102)	(13,339,246)	(13,672,727)	(14,047,956)	(14,377,378)	(14,651,209)	(15,064,956)	(15,469,436)
Finance Payments	(874,000)	(1,118,654)	(977,180)	(1,043,258)	(1,086,876)	(1,061,878)	(989,607)	(769,764)	(870,718)	(759,535)	(593,964)	(425,594)
Net Cash provided (or used in) Operating Activities	**6,078,000**	**9,464,568**	**8,272,580**	**8,926,761**	**9,381,749**	**9,899,668**	**10,511,424**	**11,261,791**	**11,771,086**	**12,583,275**	**13,346,393**	**14,159,373**
Cash Flows from Investing Activities												
Receipts												
Amounts Received Specifically for New/Upgraded Assets	1,491,000	6,790,064	9,433,162	4,040,794	4,764,039	441,586	909,718	90,282	909,718	90,282	909,718	90,282
Sale of Replaced Assets	103,000	115,000	89,000	333,000	160,000	186,000	186,000	186,000	150,000	150,000	150,000	150,000
Repayments of Loans by Community Groups	200,000	234,581	251,289	-	-	-	-	-	-	-	-	-
Distributions Received from Equity Accounted Council Businesses	22,000	-	-	-	-	-	-	-	-	-	-	-
Payments												
Expenditure on Renewal/Replacement of Assets	(9,118,000)	(8,198,285)	(11,500,943)	(7,478,843)	(8,284,461)	(7,872,673)	(7,798,444)	(9,547,603)	(8,657,425)	(8,463,613)	(8,672,279)	(9,331,104)
Expenditure on New/Upgraded Assets	(9,924,000)	(7,876,367)	(11,781,132)	(7,200,026)	(6,575,028)	(2,534,445)	(1,171,592)	(2,544,532)	(1,230,905)	(2,673,348)	(1,253,193)	(2,767,659)
Capital Contributed to Equity Accounted Council Businesses	(21,000)	-	-	-	-	-	-	-	-	-	-	-
Net Cash provided (or used in) Investing Activities	**(17,247,000)**	**(8,935,007)**	**(13,508,624)**	**(10,305,075)**	**(9,935,450)**	**(9,779,532)**	**(7,874,318)**	**(11,815,853)**	**(8,828,612)**	**(10,896,679)**	**(8,865,754)**	**(11,858,481)**
Cash Flows from Financing Activities												
Receipts												
Proceeds from CAD	-	-	6,815,644	1,454,760	1,766,627	1,025,151	-	10,131,218	-	-	-	-
Proceeds from Borrowings	8,785,000	-	-	1,000,000	-	-	-	-	-	-	-	-
Payments												
Repayments of CAD	-	(534,842)	-	-	-	-	(1,509,120)	-	(1,953,348)	(771,622)	(4,070,006)	(2,089,745)
Repayments of Borrowings	-	(1,588,716)	(1,502,053)	(996,268)	(1,130,028)	(1,080,912)	(1,127,985)	(9,577,157)	(989,126)	(914,974)	(410,633)	(211,148)
Repayment of Principal Portion of Lease Liabilities	(73,000)	(75,003)	(77,547)	(80,178)	(82,898)	(64,375)	-	-	-	-	-	-
Net Cash Flow provided (used in) Financing Activities	**8,712,000**	**(2,198,561)**	**5,236,044**	**1,378,314**	**553,701**	**(120,136)**	**(2,637,106)**	**554,061**	**(2,942,474)**	**(1,686,596)**	**(4,480,639)**	**(2,300,893)**
Net Increase/(Decrease) in Cash & Cash Equivalents	**(2,457,000)**	**(1,669,000)**	-	-	-	-	-	-	-	-	-	-
plus: Cash & Cash Equivalents - beginning of year	**4,176,000**	**1,719,000**	**50,000**	**50,000**	**50,000**	**50,000**	**50,000**	**50,000**	**50,000**	**50,000**	**50,000**	**50,000**
Cash & Cash Equivalents - end of the year	**1,719,000**	**50,000**	**50,000**	**50,000**	**50,000**	**50,000**	**50,000**	**50,000**	**50,000**	**50,000**	**50,000**	**50,000**

Uniform Presentation of Finances 10 Year Financial Plan for the Years ending 30 June	Actuals 2023/24 $	Current Year 2024/25 $	Projected Years 2025/26 $	2026/27 $	2027/28 $	2028/29 $	2029/30 $	2030/31 $	2031/32 $	2032/33 $	2033/34 $	2034/35 $
Income												
Rates	26,439,000	27,893,224	29,374,568	30,390,800	31,442,382	32,530,544	33,656,564	34,821,759	36,027,497	37,275,190	38,566,301	39,902,344
Statutory Charges	1,467,000	1,176,500	1,287,705	1,319,898	1,352,895	1,386,718	1,421,386	1,456,920	1,493,343	1,530,677	1,568,944	1,608,168
User Charges	672,000	872,500	628,820	641,138	632,166	647,970	664,170	680,774	697,793	715,238	733,119	751,447
Grants, Subsidies and Contributions - operating	869,000	1,910,090	1,829,762	1,841,903	1,488,665	1,497,394	1,506,212	1,515,117	1,524,111	1,533,195	1,542,370	1,551,637
Investment Income	182,000	119,168	35,265	18,933	2,982	-	-	-	-	-	-	-
Reimbursements	108,000	269,960	78,210	80,165	82,169	84,224	86,329	88,487	90,700	92,967	95,291	97,673
Other Income	183,000	91,150	519,070	532,046	545,348	558,981	572,956	587,280	601,962	617,011	632,436	648,247
Net gain - equity accounted Council businesses	11,000	13,800	13,800	13,800	13,800	13,800	13,800	13,800	13,800	13,800	13,800	13,800
Total Income	**29,931,000**	**32,346,391**	**33,767,200**	**34,838,684**	**35,560,407**	**36,719,632**	**37,921,416**	**39,164,137**	**40,449,206**	**41,778,078**	**43,152,261**	**44,573,316**
Expenses												
Employee Costs	10,420,000	11,164,823	11,891,207	12,027,655	12,075,780	12,396,218	12,724,666	13,061,326	13,406,402	13,760,105	14,122,650	14,494,260
Materials, Contracts & Other Expenses	10,797,000	12,422,739	12,839,862	12,956,883	13,185,789	13,544,833	13,883,454	14,276,418	14,586,304	14,850,962	15,324,735	15,707,854
Depreciation, Amortisation & Impairment	6,330,000	7,013,527	7,401,815	7,730,555	8,189,771	8,628,883	9,020,658	9,387,073	9,799,042	10,226,951	10,384,416	9,767,760
Finance Costs	874,000	1,118,654	977,180	1,043,258	1,086,876	1,061,878	989,607	769,764	870,718	759,535	593,964	425,594
Net loss - Equity Accounted Council Businesses	21,000	-	-	-	-	-	-	-	-	-	-	-
Total Expenses	**28,442,000**	**31,719,743**	**33,110,063**	**33,758,351**	**34,538,216**	**35,631,812**	**36,618,385**	**37,494,581**	**38,662,467**	**39,597,554**	**40,425,766**	**40,401,390**
Operating Surplus / (Deficit)	**1,489,000**	**626,648**	**657,137**	**1,080,332**	**1,022,191**	**1,087,820**	**1,303,030**	**1,669,556**	**1,786,739**	**2,180,524**	**2,726,496**	**4,171,926**
Net Outlays on Existing Assets												
Capital Expenditure on Renewal and Replacement of Existing Assets	(9,118,000)	(8,198,285)	(11,500,943)	(7,478,843)	(8,284,461)	(7,872,673)	(7,798,444)	(9,547,603)	(8,657,425)	(8,463,613)	(8,672,279)	(9,331,104)
Finance Lease payments for Right of Use Assets	-	(75,003)	(86,785)	(86,785)	(86,785)	(65,450)	-	-	-	-	-	-
add back Depreciation, Amortisation and Impairment	6,330,000	7,013,527	7,401,815	7,730,555	8,189,771	8,628,883	9,020,658	9,387,073	9,799,042	10,226,951	10,384,416	9,773,683
add back Proceeds from Sale of Replaced Assets	103,000	115,000	89,000	333,000	160,000	186,000	186,000	186,000	150,000	150,000	150,000	150,000
Total Net Outlays on Existing Assets	**(2,685,000)**	**(1,144,761)**	**(4,096,913)**	**497,927**	**(21,475)**	**876,760**	**1,408,214**	**25,470**	**1,291,617**	**1,913,338**	**1,862,137**	**592,579**
Net Outlays on New and Upgraded Assets												
Capital Expenditure on New and Upgraded Assets (including Investment Property & Real Estate Developments)	(9,924,000)	(7,876,367)	(11,781,132)	(7,200,026)	(6,575,028)	(2,534,445)	(1,171,592)	(2,544,532)	(1,230,905)	(2,673,348)	(1,253,193)	(2,767,659)
add back Amounts Received Specifically for New and Upgraded Assets	1,491,000	6,790,064	9,433,162	4,040,794	4,764,039	441,586	909,718	90,282	909,718	90,282	909,718	90,282
Total Net Outlays on New and Upgraded Assets	**(8,433,000)**	**(1,086,303)**	**(2,347,970)**	**(3,159,232)**	**(1,810,989)**	**(2,092,859)**	**(261,874)**	**(2,454,250)**	**(321,187)**	**(2,583,066)**	**(343,475)**	**(2,677,377)**
Annual Net Impact to Financing Activities (surplus / (deficit))	**(9,629,000)**	**(1,604,416)**	**(5,787,746)**	**(1,580,972)**	**(810,274)**	**(128,279)**	**2,449,370**	**(759,224)**	**2,757,169**	**1,510,797**	**4,245,157**	**2,087,128**

Appendix 4
Long-Term Financial Plan
10 year project allocations



Long-Term Financial Plan
Capital Projects Allocation

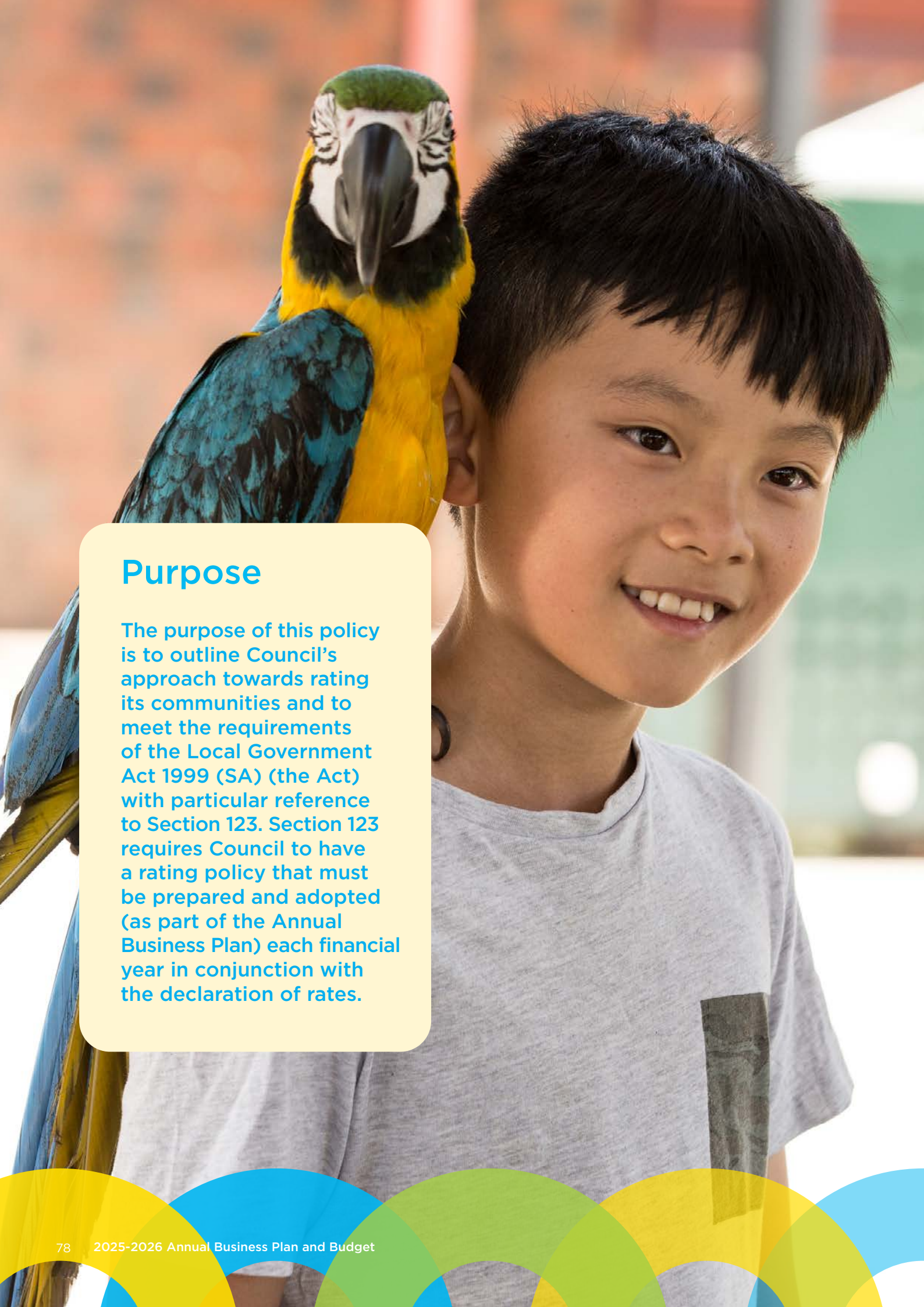
Asset Category	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	Totals
Artworks	29,694	30,436	31,197	31,977	32,776	33,596	34,436	35,296	36,179	37,083	**332,670**
Buildings & Other Structures	1,110,382	1,389,008	2,374,314	639,452	655,439	1,813,926	1,105,235	1,132,866	1,161,188	1,190,218	**12,572,028**
Footpaths	1,016,244	591,420	568,705	621,360	636,894	652,817	669,137	685,865	703,011	720,587	**6,866,040**
Library Collection	117,000	117,000	117,000	117,000	117,000	117,000	117,000	117,000	117,000	117,000	**1,170,000**
Open Space	1,090,000	6,441,391	4,430,344	1,097,300	894,060	916,412	939,322	962,806	986,876	1,011,548	**18,770,059**
Plant & Equipment	668,767	841,047	670,034	1,076,338	1,103,245	1,533,976	1,200,421	823,110	843,687	1,309,721	**10,070,346**
Project Management	1,750,104	1,700,981	1,742,881	674,913	691,786	709,081	726,808	744,978	723,576	741,665	**10,206,773**
Roads	2,579,227	2,117,135	2,227,134	1,797,353	2,022,429	2,023,018	2,010,202	2,060,458	2,111,970	2,164,770	**21,113,696**
Stormwater Drainage	14,920,657	1,450,451	1,589,793	3,215,634	2,029,707	3,459,070	2,231,698	3,699,160	2,344,676	3,886,430	**38,827,276**
Total	**23,282,075**	**14,678,869**	**13,751,402**	**9,271,327**	**8,183,336**	**11,258,896**	**9,034,259**	**10,261,539**	**9,028,163**	**11,179,022**	**81,101,612**

Long-Term Financial Plan
Operating Projects Allocation

Operating Projects	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	Totals
Allocation	**1,163,769**	**865,715**	**887,358**	**909,541**	**932,280**	**955,587**	**979,477**	**1,003,964**	**1,029,062**	**1,054,789**	**9,781,542**

Appendix 5
Rating Policy

Reference Number:	CR23/15445
Type:	Council Policy
Responsibility:	Director of City Corporate
Responsible Officer(s):	Manager Finance
Initial Adopted Date:	25 June 2019
Last Review Date:	June 2025
Next Review Date:	June 2026
Legislation:	Local Government Act 1999 Landscape South Australia Act 2019 Valuation of Land Act 1971
Related Documents:	Financial Hardship Policy Annual Business Plan, Budget & Long-Term Financial Plan Strategic Community Plan



Purpose

The purpose of this policy is to outline Council's approach towards rating its communities and to meet the requirements of the Local Government Act 1999 (SA) (the Act) with particular reference to Section 123. Section 123 requires Council to have a rating policy that must be prepared and adopted (as part of the Annual Business Plan) each financial year in conjunction with the declaration of rates.

Definitions

Act – refers to the *Local Government Act 1999* (SA)

Capital Value – refers to the valuation methodology used in determining the value of land, as defined in the *Valuation of Land Act 1971*

Council – (with a capitalised 'C') refers to the elected Council body

council – (with a non-capitalised 'c') refers to council as the organisation

Minimum Rate – refers to the rate amount payable in respect of land which falls within a range of values as determined by Council

General Rate – refers to the rate in the dollar which applied to properties in the calculation of the general rate payable by Council Rates.

Postponed Rates – refers to any rates postponed under Section 182 of the Act

Postponed Rates - Seniors – refers to any rates postponed under Section 182A of the Act

Rating – refers to the overall process of raising revenue by way of levying rates and charges

Rebates – refers to an amount that a rate or charge may be reduced in accordance with Sections 159 to 166 of the Act

Remissions – refers to any reduction in amounts payable granted in accordance with Section 182 of the Act

Separate Rate – refers to a rate that applied in addition to other rates and charges, which is used to fund specific activities in accordance with Section 154 of the Act

Scope

Council's powers to raise rates are scheduled under Chapter 10 of the *Local Government Act 1999* (the Act). The Act provides the framework within which the Council must operate, but also allows Council to make a range of policy choices.

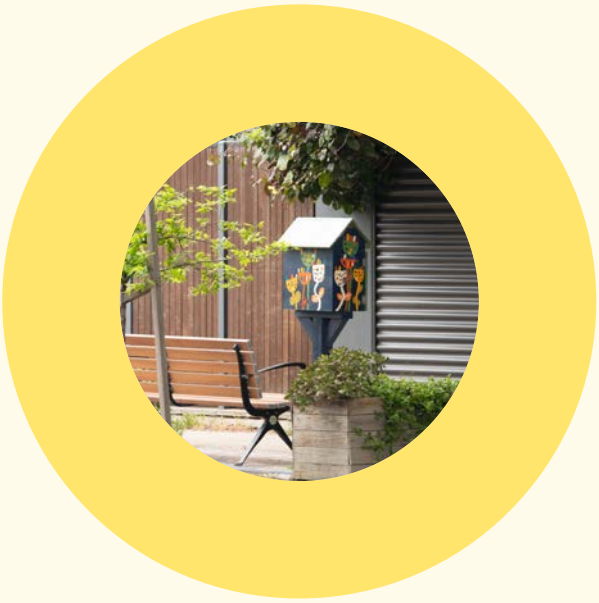
Section 147 of the *Local Government Act 1999* states that all land within a council area, except for land specifically exempt (e.g. Crown Land or Council occupied land) and land which includes other limited categories, is rateable.

Section 150 of the *Local Government Act 1999* states that Rates are not fees for services, they constitute a system of taxation for Local Government purposes.

Legislative and Corporate Requirements

The Rating Policy is to be read and implemented in conjunction with Council's other relevant policies, strategies and documents, including:

- Local Government Act 1999
- Local Government (Financial Management) Regulations 2011
- Landscape South Australia Act 2019
- Valuation of Land Act 1971
- City of Prospect - Financial Hardship Policy
- City of Prospect - Annual Business Plan, Budget and Long-Term Financial Plan
- City of Prospect – Strategic Community Plan



Policy Statement

Strategic Development

In setting rates, Council's primary consideration is the City of Prospect's 2023-2027 Strategic Community Plan which has been developed as a result of long-term strategic planning involving Council in consultation with special interest groups, Council's Audit Committee, Elected Member workshops and input from the staff. Council also considers the current economic climate which incorporates features such as:

- inflation rates (eg. Local Government Price Index) and Consumer Price Index (C.P.I.),
- employment rates,
- Council's Treasury Management Policy,
- legislative changes and
- the need to manage, maintain and improve the community's physical infrastructure assets for future generations.

Council, in its deliberations, takes into consideration the effect of rates on local businesses and is mindful of maintaining the balance between economic development and community development and Council's financial sustainability.

In considering the impact, Council assesses those elements of the Council's Strategic Management Plans relating to business development including, but not limited to, the equity of the distribution amongst ratepayers; Council's policy on facilitating local economic development; changes in the valuation of commercial and industrial production properties; and specific infrastructure maintenance issues that will solely or principally benefit businesses.

Council adopts as a broad philosophical position that the rate in the dollar should be the same for all properties except where there is clearly a different level of services available to ratepayers or some other circumstances which warrant variation to the broad principle.

Council's ability to raise income from rents and lease payments is tempered by its desire to ensure that community groups and sporting bodies, who are the lifeblood of any vibrant community, have sufficient resources to meet their obligations. As a result, concessional rental and lease arrangements often apply to these groups.

The fundamental principle of equity within the community and assessment of the impact of rates across the area forms the criteria for annual rates modelling which is then used to develop a planned review of the basis of rating each year.



Principles of Taxation

In developing this policy Council has also given consideration to the following five principles previously identified by the local government industry (Local Government Rating – A Consultation Paper, April 2001) that apply to the imposition of taxes on communities:

- equity (taxpayers with the same income pay the same tax (horizontal equity), wealthier taxpayers pay more (vertical equity)
- benefit (taxpayers should receive some benefits from paying tax, but not necessarily to the extent of the tax paid)
- ability-to-pay (in levying taxes the ability of the taxpayer to pay the tax must be taken into account)
- efficiency (if a tax is designed to change consumers behaviour and the behaviour changes the tax is efficient (eg tobacco taxes), if the tax is designed to be neutral in its effect on taxpayers and it changes taxpayers behaviour a tax is inefficient)
- simplicity (the tax must be understandable, hard to avoid, easy to collect).

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

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

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



Application of Policy

Valuation of Land

Council uses the services of the South Australian Valuer-General (The Office of the Valuer-General) to establish the value of land within the Council area for rating purposes. The Valuer-General must comply with all requests from Council to value land within the area that is subject to separate ownership or occupation, and is therefore assessable for council rates.

The basis for valuation of land in the City of Prospect is the capital value of the land including all improvements. Council considers that the capital valuation 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 considered a relatively good indicator of wealth.
- Capital value, which trends with the market value of a property provides the best indicator of overall property value, and
- Council considers the Valuer-General's capital valuations to be consistent across council areas and stable in their basis of assessment.

Object to Valuation

A person may object to a valuation made by the Office of the Valuer-General by notice in writing within 60 days after the date of service of the Annual Notice. This objection must set out the full and detailed ground for objection to a valuation.

The objection can be submitted via:

- An online form at: www.sa.gov.au/topics/housing/owning-a-property/objecting-to-a-property-valuation
- Email to LSGObjections@sa.gov.au
- Post to GO Box 1354 Adelaide SA 5001

Council has no role in the process of considering an objection to a valuation.

The lodgement of an objection does not change the due date for the payment of rates.



Differential General Rates

Council considers the imposition of a differential general rate each year in accordance with Section 156 of the *Local Government Act, 1999.* When considering the imposition of differential general rates, the differential factor used by Council is land use. The following differential land use factors are used:

1 Residential: Comprising the use of land for a detached dwelling, group dwelling, multiple dwelling, residential flat building, row dwelling or semi-detached dwelling.

2 Commercial Shop: Comprising the use of land for a shop.

3 Commercial Office: Comprising the use of land for an office.

4 Commercial Other: Comprising any other commercial use of land not referred to as a shop or office.

5 Industry Light: Comprising the use of land for a light industry.

6 Industry Other: Comprising any other industrial use of land not referred to as light industry.

7 Primary Production: Comprising farming, horticulture, horse keeping, intensive animal keeping or in respect of a dairy situated on a farm - the use of land for a dairy.

8 Vacant Land: Comprising land, which is not being used for any purpose.

9 Other: Comprising any other use of land not referred to in the categories specified above.

10 Marina Berths: Comprising land used for the berthing or mooring of a vessel; or used for the dry storage of a vessel.

For the 2025-2026 financial year, Council intends to set four differential rates being:

- $0.21377 cents in the dollar on rateable land of category 1 (Residential).
- $0.53438 cents in the dollar on rateable land of categories 2, 3, 4, 5, 6, 7 and 9, 10 (Commercial Shop, Commercial Office, Commercial Other, Industry Light, Industry Other, Primary Production, Other and Marina Berths).
- $0.53438 cents in the dollar on rateable land of categories 8 where land lies in the residential planning zone (Vacant Land - Residential).
- $1.20236 cents in the dollar on rateable land of categories 8 where land lies in planning zones other than residential (Vacant Land – Non-Residential).

With the exception of land which ceases to be rateable or becomes rateable part way through financial year, the Council will not review assessments based on changes of occupancy or land use which have taken place after the assessment has been made as at 1 July in the current financial year.

If a ratepayer believes that a particular property has been wrongly classified by the Council as to its land use, then the ratepayer may object to that land use (to the Council) within 60 days of the date of the Annual Notice. The objection must set out the basis for the objection and details of the land use that, in the opinion of the ratepayer, should be attributed to that property. The Council may then decide the objection as it sees fit and notify the ratepayer.

It is important to note that the lodgement of an objection to the land use (change of use prior to 1 July assessment) does not change the due date or amount owing for payment of rates. If an objection is granted, an adjustment of rates will be made. Until written confirmation is provided, the current land use will determine the amount of rates payable.

Minimum Rate

Council has historically decided to impose a minimum amount payable by way of rates in accordance with Section 158 of the *Local Government Act 1999.* Council has chosen to impose a minimum rate rather than a fixed charge as it offers simplicity in its administration and is more equitable in sharing the taxation burden (in that land value determines who is subject to the minimum rate and who is not), rather than the imposition of a fixed charge which applies to all ratepayers with no reference to their capacity to pay (ie. it is a "one size fits all" charge).

The minimum rate is levied against the whole of an allotment (including land under a separate lease or licence). Where land comprises less than a whole allotment (provided no lease or licence exists) the minimum rate cannot be applied. Only one minimum rate is levied against two or more pieces of adjoining land (whether intercepted by a road or not) if they are owned by the same owner and occupied by the same occupier. This is described as contiguous land.

Independent living units (in a retirement village) are exempt from paying the minimum rate by virtue of section 158 of the *Local Government Act 1999.*

Council will endeavour to maintain a ratio of minimum rate over the total number of properties to approximately 25%, which is well under the legislated maximum of 35%.



Regional Landscape Levy

Council collects a Regional Landscape Levy on all rateable properties on behalf of the Green Adelaide board. The Levy funds vital projects and is combines contributions South Australian ratepayers previously made through their Catchment Water Management Levies and/or animal and plant control rate revenue contributions from local government.

Council is simply operating as a revenue collector for the Board in this regard.

Council does not retain this revenue or determine how the revenue is spent. Council collects this money by imposing a separate rate against all of the rateable properties in the area. The rate in the dollar for this separate rate will be is $0.0000654873.

Separate Rate – Village Heart Marketing Fund

Since 2017-2018 Council has managed a new fund for the marketing and promotion of the Prospect Road Village Heart. This fund is provided to finance activities as directed by the Prospect Road Main Street Association.

The fund will source its income via a separate rate applied to all non-residential properties along Prospect Road, bordered at the North by Gladstone and Alpha Roads, and to the South by Buller and Ballville Streets.

The rate will not be applied to any assessment already in receipt of a mandatory rebate, nor a Mobile Phone Tower.

A separate rate will be collected as a single fixed charge of $300 for each non-residential tenancy within the area.

Delivery of Rate Notices

Rate notices are sent quarterly via Australia Post to the postal address notified to Council. Notices are required to be sent at least 30 days but not more than 60 days before an instalment falls due as per section 181 (7) of The Act.

Council provides the option to receive your rate notices electronically through Bpay View & EzyBill. Registrations for Bpay View are made through the individual's internet banking with their nominated financial institution.

Paper copies of rate notices are suspended while there is an active electronic notice delivery registration. This leads to an environmental and cost saving for the delivery of rate notices.

There is no cost to receive notices electronically.

Payment of Rates

Council provides a broad range of payment options for the payment of rates. Rates are usually declared in June each year and may be paid either in full or in quarterly instalments, with the last date for payment of each instalment being the:

- 1 September 2025
- 1 December 2025
- 1 March 2026
- 1 June 2026

Payment of rates may be paid by the following methods:

- Bpay
- Australia Post Billpay
  (At any Post Office, via Internet or via Phone)
- Direct Debit – Fortnightly, Quarterly or Annually
- Council's online payment system – www.prospect.sa.gov.au
- Phone – 1300 140 306
- In person at Payinthi (EFTPOS only)
- By mail to City of Prospect, PO Box 171 Prospect SA 5082

For more information, please refer to the reverse side of your rates notice or contact Customer Service on 8269 5355.

Any ratepayer who may, or is likely to experience difficulty with meeting the standard payment arrangements should contact the Rates Administration Team to discuss options for alternate payment arrangements. Such enquiries are treated confidentially by Council.

When Council receives a payment in respect of overdue rates, the Council applies the money received as per section 183 of The Act:

- firstly – to satisfy any costs awarded in connection with court proceedings;
- secondly – to satisfy any interest costs;
- thirdly – in payment of any fines imposed; and
- fourthly – in payment of rates, in date order of their imposition (starting with the oldest account first).

Late Payment of Rates

Section 181 of the *Local Government Act 1999,* provides that if an instalment of rates is not paid on or before the last day for payment, the unpaid rates will be regarded as being in arrears, and a fine of 2% is payable.

Any payment that continues in arrears then accrues monthly interest on the amount in arrears, (including any fines). The rate of interest is variable according to current cash advance debenture rate as at 1 July, and is prescribed in Section 181 of the *Local Government Act 1999.*

The purpose of this penalty is to act as a deterrent to ratepayers who might otherwise fail to pay their rates on time, to allow Council to cover the administrative cost of following up unpaid rates, and to cover any interest cost the Council may meet because it has not received the rates on time.

Where an amount of rates remains outstanding one week after the expiration of the last date to pay, a notice of overdue rates will be sent to the ratepayer.

Debt Recovery

Council will apply prudent debt collection practices in the recovery of outstanding rates in compliance with the *Local Government Act 1999* and following an ongoing assessment of arrears and systematic approach to debt recovery.

Rates which are not paid by the due date as specified on the council rates notice will be subject to the following recovery procedure:

1. Fines & Interest as provided by the Act will be added;
2. If greater than $1,200 of rates are in arrears, the debt will be placed in the hands of a debt collector
3. Letters will be sent to the ratepayer by the debt collector requesting payment of the debt within 7 days;
4. Once the 7 days have expired, and should rates remain overdue with no satisfactory arrangement, a notice of intention to issue a claim will be forwarded by the debt collector, allowing a further 14 days to make payment;
5. Court proceedings will be instigated if the payment is still overdue once the above periods have expired.

All fees and court costs are recoverable from the ratepayer.

Sale of Land for Non-Payment of Rates

The *Local Government Act 1999* provides that a Council may sell any property where the rates have been in arrears for three years or more. The Council is required to provide the principal ratepayer and the owner (if not the same person) 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. The City of Prospect enforces the sale of land for non-payment of rates after 3 years or more in accordance with the provisions of section 184 of the Act.

Land which is exempted for non-payment of rates as per Section 185 of the Local Government Act 1999 City of Prospect enforces its application as part of its policy.

Financial Hardship

Council have a dedicated Financial Hardship Policy. Please refer to the Financial Hardship Policy for details.

Rebate Of Rates

Mandatory

The *Local Government Act 1999* (sections 159 – 165) requires Council to rebate the rates payable on some land. Specific provisions are made for land used for health services, community services, religious purposes, public cemeteries, the Royal Zoological Society and educational institutions. These rebates vary from 25% to 100% and will be applied upon application and or verification of existing status.

Discretionary

The *Local Government Act 1999* Section 166 enables Council to give discretionary rate rebates up to 100% for land used for the purposes of community good, business development, historic conservation, or public access.

A discretionary rebate may be granted where it is considered by Council to be appropriate to provide relief against what would otherwise amount to a substantial change in rates payable by a ratepayer.

Council will consider applications in accordance with Section 166 criteria and may rebate rates and / or apply such conditions as Council thinks fit. Discretionary rebates granted will be for a particular financial year, with a new application required to be made to council every four (4) years to align with a council term, provided the applicant's circumstances and use of the land have not changed.

Organisations who have received a discretionary rebate in the current year are to be advised in writing annually of the need to submit a declaration that the land use and conditions of approval have not changed.

Organisations who have received a discretionary rebate in the current year are to be advised in writing of the need to submit a new application when the four (4) year term is near. Applications for discretionary rebates are to be received by first instalment date for the relevant financial year.

Ratepayers who have received a discretionary rebate in the current year as relief against substantial change in rates payable will not be so advised.

Separate Rate

Businesses that hold multiple adjacent tenancies who are all charged the Village Heart Marketing Fund separate rate may apply for a rebate on one of the tenancies.

An application must be made using the application form that is available on Council's website and submitted prior to the first instalment due date.

Payment of rates must not be withheld whilst assessment of this rebate is taking place. If so, fines and interest may apply.

Postponement of Rates

Seniors

Under Section 182 A of the Act a postponement of rates may be granted to persons meeting the requirements of Section 182A (1).

A 'senior' for these purposes is a person who holds a current State Seniors Card issued by the State Government or who has the qualifications to hold such and has applied for the card but is yet to be issued with it.

A postponement is available to a 'senior' (or the spouse of a senior) in respect of all rates payable on the principal place of residence that is owned only by the senior or the senior and his/her spouse.

A postponement for these purposes must be applied for (to the Council) and where the above criteria are met will result in all rates over $500 being postponed. The postponed amount will incur interest. For further information about this scheme, contact the Rates Department on 8269 5355.

Relief from Hardship

Section 182 of the *Local Government Act 1999* permits a Council, on the application of the ratepayer, to partially or wholly remit rates or to postpone rates on the basis of hardship.

Further information is provided in Council's Hardship Policy

Pensioner Concessions

If you are an eligible pensioner you may be entitled to a cost of living concession. This concession is paid directly into the individual's bank account and can be used towards either electricity, gas, water bills or council rates.

Application forms are available by contacting the Concession Hotline on 1800 307 758 or at www.sa.gov.au/concessions.

Applications are administered by the State Government. Payment of rates must not be withheld pending assessment of an application by the State Government as penalties apply to unpaid rates.

Changes to Assessment Record

All changes to postal address or name of a ratepayer/owner and changes of ownership of a property must be notified promptly to Council in writing; letter or email.

Section 172(2) of the Act allows an occupier of land, with the consent of the owner, to apply to the Chief Executive Officer to have the occupiers name entered into the assessment record as the principle ratepayer. This application must be made to the Chief Executive by completing the relevant form, which is available on Council's website.

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.

Where a ratepayer believes that the Council has failed to properly apply this policy it should raise the matter with the Council. In the first instance contact a Customer Service Officer at the Council Offices or on telephone 8269 5355 to discuss the matter. If, after this initial contact, a ratepayer is still dissatisfied they should write to the Chief Executive Officer, City of Prospect PO Box 171 Prospect SA 5082, or email to admin@prospect.sa.gov.au explaining the nature of their concern.



Review

The Policy is reviewed annually as part of the Annual Business Plan, Budget and Long-Term Financial Plan process.

Access to the Policy

The Policy is available for public inspection on Council's website www.prospect.sa.gov.au and from Customer Service at Payinthi, 128 Prospect Road, Prospect SA 5082.



Further Information

For further information about this policy please contact:

Director of Corporate Services

City of Prospect
128 Prospect Road
Prospect SA 5082

Phone: 08 8269 5355

Email: admin@prospect.sa.gov.au

Appendix 6
Statement of expected rates



Statement on expected rate revenue

Expected rates revenue

	2024-2025 (as adopted)	2025-2026 (estimated)		Change	Comments
General Rates Revenue					
General Rates (existing properties)		$28,835,592	(a)		
General Rates (new properties)		$295,879	(b)		
General Rates (GROSS)	**$27,638,966**	**$29,131,471**	**(c)**		Rates are budgeted to increase by the general increase of 3.9% plus 1.5% from growth.
Less: Mandatory Rebates	($624,494)	($659,689)	(d)		
General Rates (NET)	**$27,014,472**	**$28,471,782**	**(e)**	**5.4%**	
	(e)=(c)+(d)				
Other Rates (inc. service charges)					
Regional Landscape Levy	$738,911	$726,780	(f)		The Regional Landscape Levy is a State tax, it is **not retained** by council.
Village Heart Marketing Levy	$40,000	$38,100	(g)		The Village Heart Marketing Levy is a separate levied on Non-Residential assessments in the Prospect Road Village Heart to finance destinational marketing activities directed by the Village Heart Marketing Fund Committee.
	$27,793,383	**$29,236,662**			
Less: Mandatory Rebates	($24,672)	($25,009)	(l)		
Expected Total Rates Revenue	**$27,029,800**	**$28,484,873**	**(m)**	**5.38%**	Excluding the Regional Landscape Levy and minus Mandatory and Discretionary Rebates.
	(m)=(e)+(g)-(l)				

Estimated growth in number of rateable properties

	2024-2025 (as adopted)	2025-2026 (estimated)		Change	Comments
Number of rateable properties	**10,458** Actual	**10,629** Estimate	**(n)**	**1.64%**	

'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.

Estimated average General Rates per rateable property

	2024-2025 (as adopted)	2025-2026 (estimated)		Change	Comments
Average per rateable property	**$2,615**	**$2,741**	**(o)**	**3.70%**	
		(o)=(c)/(n)			

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

Overall, Council expects the average residential ratepayer to experience an increase of 3.9%.

Notes

(d) Councils are required under the *Local Government Act 1999* to provide a rebate to qualifying properties under a number of categories:

Health Services - 100 per cent

Community Services - 75 per cent

Religious purposes - 100 per cent

Public Cemeteries - 100 per cent

Royal Zoological Society of SA - 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.

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

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

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





Expected rates revenue*

	Total expected revenue			No. of rateable properties		Average per rateable property				Rate in the $
	2024/25	2025/26	Change	2024/25	2025/26	2024/25	2025/26		Change	2025/26
Land Use (General Rates - GROSS)										
Residential	$22,284,682	**$23,485,056**	**5.39%**	9,736	**9,860**	$2,289	**$2,382**	(p)	**$93**	**0.0021377**
Commercial - Shop	$1,957,347	**$1,970,465**	**0.67%**	294	**287**	$6,658	**$6,866**	(p)	**$208**	**0.0053438**
Commercial - Office	$510,168	**$574,566**	**12.62%**	98	**107**	$5,206	**$5,370**	(p)	**$164**	**0.0053438**
Commercial - Other	$1,419,921	**$1,574,942**	**10.92%**	182	**187**	$7,802	**$8,422**	(p)	**$620**	**0.0053438**
Industry - Light	$159,610	**$163,768**	**2.61%**	26	**26**	$6,139	**$6,299**	(p)	**$160**	**0.0053438**
Industry - Other	$32,657	**$35,340**	**8.22%**	7	**8**	$4,665	**$4,418**	(p)	**-$248**	**0.0053438**
Primary Production	$0	**$0**	**0.00%**	-	**-**	$0	**$0**	(p)	**$0**	**0.0053438**
Vacant Land - Residential	$247,326	**$306,604**	**23.97%**	67	**95**	$3,691	**$3,227**	(p)	**-$464**	**0.0053438**
Vacant Land - Non-Res.	$198,135	**$161,297**	**-18.59%**	7	**6**	$28,305	**$26,883**	(p)	**-$1,422**	**0.0120236**
Other	$824,496	**$870,548**	**5.59%**	51	**53**	$16,167	**$16,425**	(p)	**$259**	**0.0053438**
Total Land Use	**$27,634,342**	**$29,142,587**	**5.46%**	**10,468**	**10,629**	**$2,640**	**$2,742**	**(p)**	**$102**	

Indicative revenue and rateable properties have been included in the table above. Valuation data continues to be received from the Valuer General through until June 2025. Updates from the Valuer General will include both creations of new properties and small number of revisits to existing rateable assessments.

Minimum rate

	No. of properties to which rate will apply		Rate			
	2025/26	% of total rateable properties	2024/25	2025/26		Change
Minimum Rate	**3,184**	**30%**	**$1,498**	**$1,556**	**(r)**	**$58**

Council is required to have less than 35% of assessments attracting the minimum rate. Minimum rate ensures that an equitable amount of tax burden is applied to cover the cost of all services to residents and visitors to the City. With the indexation of the rate 3.9%, an additional number of properties have had the minimum rate applied for current year.

Notes

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

(r) 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.

Adopted valuation method

Capital Value/Site 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; or

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

Council levies rates on rateable assessments through the use of capital value. This valuation is prepared annually by the Valuer General and used for a number of taxation and levies by both state and local government. Objections to the valuation can be lodged with the Valuer General. Details of how to lodge an objection are on the rear of the Rates Notice.



Appendix 7
ESCOSA Advice



Advice

Local Government Advice

City of Prospect

February 2023

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
Web: www.escosa.sa.gov.au

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

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Glossary of terms

ABS	Australian Bureau of Statistics
AMP	Asset management plan (also called an IAMP)
Commission	Essential Services Commission, established under the *Essential Services Commission Act 2002*
CPI	Consumer Price Index (Adelaide, All Groups)
Council	City of Prospect
CWMS	Community Wastewater Management System
ESC Act	*Essential Services Commission Act 2002*
F&A	Local Government Advice: Framework and Approach – Final Report
FTE	Full Time Equivalent
IAMP	Infrastructure and asset management plan (also called an AMP)
LG Act	*Local Government Act 1999*
LGA SA Financial Indicators Paper	Local Government Association of South Australia, Financial Sustainability Information Paper 9 - Financial Indicators Revised May 2019
LGGC	Local Government Grants Commission
LGPI	Local Government Price Index
LTFP	Long-term financial plan
Regulations	*Local Government (Financial Management) Regulations 2011*
RBA	Reserve Bank of Australia
SACES	The South Australian Centre for Economic Studies
SEIFA	Socio-Economic Indexes for Areas
SMP	Strategic management plan
SG	Superannuation Guarantee
The scheme or advice	Local Government Advice Scheme

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

The Essential Services Commission (**Commission**) considers the City of Prospect (**Council**) to be in a sustainable financial position, assuming further growth in rate contributions and that the Council can achieve lower expense growth than it has achieved in the past. The Council has not yet adopted any of its asset management plans (at the time of drafting this advice) but has planned for a substantial asset renewal program above the annual revenue requirements recommended by its draft plans.

The Commission suggests that the Council take the following steps to ensure that it continues to budget prudently, and report its cost savings and efficiencies, as well as meeting its asset management plan needs while limiting the extent of further rate increases:

Budgeting considerations

1. **Continue** to review its inflation forecasts in its budget and forward projections each year.

Providing evidence of ongoing cost efficiencies

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

Refinements to asset management planning

3. **Review** the assumptions underpinning its asset management plans to ensure those plans incorporate a more accurate picture of required asset expenditure and better alignment with the allocations in its long-term financial plan as necessary, including the estimate for asset lives and valuations feeding into the forecast rates of asset consumption and depreciation expenses.
4. **Finalise** and adopt its asset management plans across different asset categories and make them accessible from its website.

Containing rate levels

5. **Review** the rateable property growth forecasts in its budget projections each year to ensure that they remain current and do not create a need for additional rate increases to generate the same level of projected revenue.
6. **Consider** reducing future rate increases and proposed capital expenditure, in consultation with its community and in the context of desired service levels, to minimise any 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 the State Government to provide advice on material changes proposed by local councils in relation to elements of their strategic management plans (**SMPs**) and on the proposed revenue sources, including rates, which underpin those plans.[1]

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

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

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

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

2.1 Summary of advice

In general, the Commission finds the City of Prospect's current and projected financial position sustainable but reliant on continued growth in rate contributions, largely to fund its projected spending on the renewal of its asset base.

The Council has implemented a period of capital enhancement and service expansion for its community, including delivering the new Payinthi multiuse centre, and rate increases over this period have managed to achieve a sound operating performance.

---

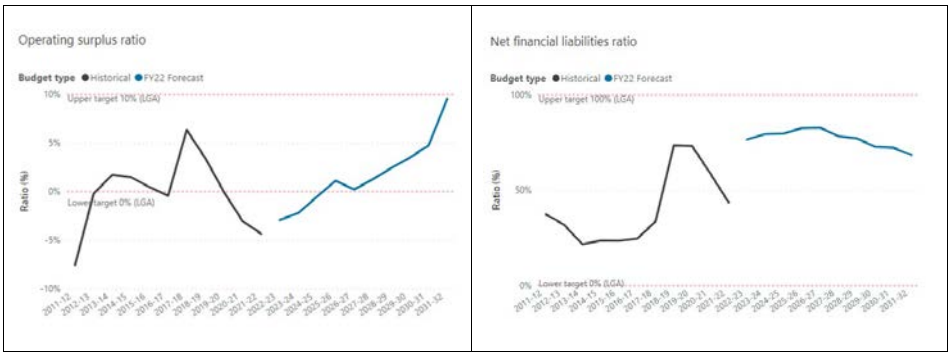
1 Amendments to the *Local Government Act 1999* (s122(1c) to (1k) and (9)) specify the responsibilities for the Commission and local councils for the Local Government Scheme Advice. The Commission must provide advice to each council in accordance with the matters outlined in s122(1e), (1f) and (1g).
2 Commonly referred to as asset management plans.
3 The objectives of the advice with reference to a council's LTFP and IAMPs are presented under LG Act, s122(1g). LG Act s122(1) specifies the requirements of a council's SMP, including the LTFP and IAMPs.
4 'Intergenerational equity' relates to fairly sharing services and the revenue generated to fund the services between current and future ratepayers.
5 Commission, *Framework and Approach – Final Report*, August 2022, pp. 2-3, available at www.escosa.sa.gov.au/advice/advice-to-local-government.
6 LG Act s122(1f)(a) and (1g)(a)(ii).
7 LG Act s122(1f)(b) and (1g)(b).
8 LG Act s122(1h).
9 The Commission must publish its advice under LG Act s122(1i)(a).

From 2022-23, the Council's LTFP forecasts conservative operating expense growth, and the Council has reviewed its services and factored in material savings to its recurrent budget. However, this is a much lower rate of cost growth than has been achieved in the past and incorporates a significant asset renewal expenditure program, with projected annual spending on the renewal of assets consistently higher than the draft asset management plans (**AMPs**) identify is needed.[10]

Further, the Council has not yet adopted any of its AMPs, which remain in draft form at the time of preparing this advice,[11] and there are some anomalies between the draft AMPs and LTFP estimates.[12] This suggests a need for improvement in asset management planning.

Although the Council has stated that it has considered the community's capacity to pay relatively higher rates, the extent of the projected rate rises presents an emerging affordability risk. This could be addressed by the Council ensuring greater cost control, as it has already planned for, and reviewing its spending (including its asset renewal works budgets), in consultation with its community about desired the Council with the opportunity to restrict future rate increases below the levels currently forecast, although its current forecasts are also dependent on the Council achieving relatively low-cost growth.

The charts below of the City of Prospect's past and projected operating surplus ratio, net financial liabilities ratio, asset renewal funding ratio and average rates revenue per property, together support these findings. The 'heat map' diagram over the page summarises the Commission's findings with reference to whether the Council has met the suggested target ranges for the three main financial sustainability indicators[13] and the level of cost control and affordability risk identified for the Council over time.

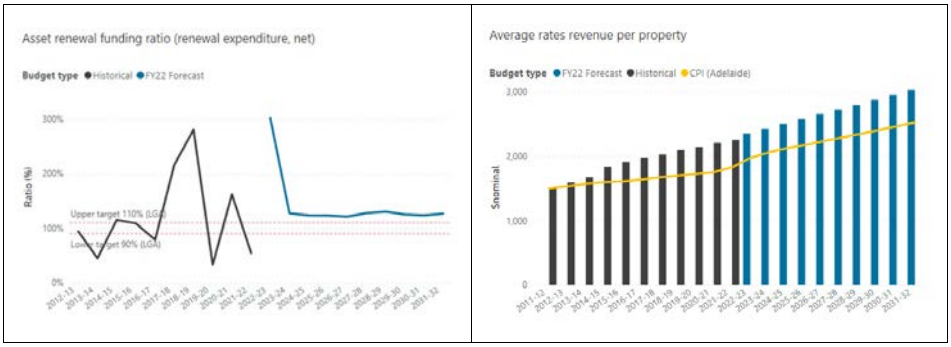


[10] Accordingly, the upper limit of the suggested LGA target range for the asset renewal funding ratio ('IAMP-based') of 90 to 110 percent would be consistently exceeded in the next 10 years. See footnote 13.

[11] The Commission understands that the Council is planning to consider the outcomes of the community consultation to finalise the Draft AMPs for buildings, footpaths, open spaces (parks and reserves), roads and stormwater infrastructure on 28 February 2023. (Community consultation information available at: https://cityofprospect.engagementhub.com.au/asset-management-plan-summary).

[12] For example, the Draft AMP Summary states that asset renewal needs from 2022-23 average $5.1 million per annum to 2030-31 whereas the LTFP has budgeted for an average of $8.1 million per annum (to 2030-31), which exceeds the impact of adjusted inflation forecasts over this period.

[13] The indicators are specified in the *Local Government (Financial Management) Regulations 2011*. Since 2011, each council has been required to refer to these three indicators in its plans, annual budget, mid-year budget review and annual financial statements. The councils can adopt their own target range for each ratio, but the Commission has adopted the previously suggested Local Government Association (**LGA**) target ranges as a basis for its analysis, which were established and agreed during the development of the LGA Financial Sustainability Papers (2006-2011).



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

Financial sustainability indicators:	Last 10 years from 2011-12 (Actual performance)			2021-22 estimate	Next 10 years from 2022-23 (Council forecasts)
Operating surplus ratio (target 0-10%)			Operating surpluses —>	Operating deficits	Ratio projected within target range from 25-26
Net financial liabilities ratio (target 0-100%)	Ratio met historically and in forecast period —>				
Asset renewal funding ratio (target 90-110%)	Ratio met	High ratio	Closer to target range —>	Projected asset renewal spending consistently above target range for ratio	
Identified Risks:					
Cost control risk	Low risk with cost control	Increasing costs inc. for depreciation expenses —>		More cost constraint with opex per property forecast 1.1% p.a. from 22-23 to 31-21 (CPI 2.8%) —>	
Affordability risk	Indicators of capacity to pay for high residential rate levels (average rates revenue per property increased by 4.4% p.a.to 20-21) —>			Reduced capacity to pay at higher levels with rates revenue per property growth to average 2.9% p.a. 22-23 to 31-32) —>	

Ratio outside suggested LGA target range or higher risk

Ratio close to suggested LGA target range or medium risk

Ratio within suggested LGA target range or lower risk

2.2 Detailed advice findings

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

In providing this advice, the Commission has followed the approach it previously explained in the Framework and Approach – Final Report (**F&A**). The attachment explores these matters further.[14]

2.2.1 Advice on material plan amendments in 2022-23

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

Based on the Council's assumptions in its 2022-23 LTFP, an increase in its cost and revenue estimates by up to around 6 percent over the 2022-23 to 2030-31 forecast period[15] would account for higher inflation estimates, compared with the same estimates in its 2021-22 LTFP. The actual increase depends on which price index the Council has applied since it used different indices for different cost and revenue series.[16]

The City of Prospect has assumed the largest indexation increases to its capital expenditure and depreciation expense forecasts with adjusted LGPI forecasts of 5.6 percent in 2022-23, 3.5 percent in 2023-24 and 2.5 percent thereafter. In contrast, the Council applied a CPI-adjusted increase of 2.5 percent per annum from 2022-23 to grants and other non-rates income.

The Commission notes that the Council's stated assumptions for indexation in its 2022-23 LTFP are well tailored and reasonable in the current inflationary environment,[17] but notes that there is still uncertainty around the inflation forecasts. Notwithstanding the need for the Council to endeavour to find savings and reduce any inflationary impact on its community, the Commission has found that it would be appropriate for it to:

1. **Continue** to review its inflation forecasts in its budget and forward projections each year.

The Council has increased its forecast operating income in total by 2.3 percent in its 2022-23 LTFP estimates, which appears to be reasonable for inflation impacts alone, although it is the result of a combination of different revenue impacts. It also increased its forecast for operating expenses to 2030-31 by $19.2 million or 7.3 percent.[18] Much of the increase to operating expense projections is due to the increase of $12.1 million or 22.6 percent to the depreciation expenses (including an 11 percent increase in 2026-27) over this period. The Council identified that the ongoing depreciation expense increases associated with capital projects on new and upgraded assets have been factored into the LTFP projections.[19]

[14] The attachment will be available on the Commission's website with the advice.
[15] The set of nine years forecast in both the 2021-22 and 2022-23 LTFP projections.
[16] The increases on the 2021-22 LTFP estimates are between 2 and 6 percent, depending on which Consumer Price Index (**CPI**) or Local Government Price Index (**LGPI**) based series the Council applied.
[17] The Reserve Bank of Australia (**RBA**) forecasts for CPI to increase by 6.7 percent in the year to the June 2023 quarter, by 3.6 percent in the year to the June 2024 quarter and by 3.0 percent in the year to the June 2025 quarter. (RBA, Forecast Table - February 2023, available at https://www.rba.gov.au/publications/smp/2023/feb/forecasts.html) Beyond June 2025, the RBA has not published inflation forecasts, but a return to the long-term average (of 2.5 percent based on the midpoint of the RBA's target range of 2 and 3 percent) is a reasonable assumption.
[18] Compared with the 2021-22 LTFP estimates aggregated over 2022-23 to 2030-31.
[19] City of Prospect, *2022-2023 Annual Business Plan & Budget*, June 2022, p. 41, available at https://www.prospect.sa.gov.au/__data/assets/pdf_file/0040/1187788/Annual-Business-Plan-2022-2023_web-ready.pdf.

2.2.2 Advice on financial sustainability

Operating performance

The City of Prospect ran operating surpluses between 2014-15 and 2020-21, when measured on a three-year rolling average, indicating a generally sustainable operating position. Its operating surplus ratio[20] was mostly positive (with a surplus) and within the suggested LGA target range for these years.[21]

Since 2021-22, the Council has shifted into an operating deficit position. Expense growth has averaged 5.9 percent per annum in the three years to 2021-22, compared with operating income growth of 3.2 percent.[22] The relatively high operating expense growth was primarily due to higher depreciation expenses, and to a lesser extent, growth in employee expenses.

The Council is forecast to be in a three-year rolling surplus position again from 2026-27. The forecast return to its operating surplus is due to the budgeting for continued rates income increases above the rate of expenses growth. The Council has incorporated recurrent savings of $500,000 in 2022-23 and $100,000 over the next two years into its budget. Its LTFP forecasts average operating expense growth of 1.1 percent per property each year in the 10 years to 2031-32 (in nominal terms), compared with rates income growth of 2.9 percent per property and RBA-based projected CPI growth averaging 2.8 percent per annum.[23] With further projected rates increases, the operating surplus ratio is projected to reach 9.5 percent in 2031-32. The extent of the surplus could provide the Council with the opportunity to restrict future rate increases below the levels currently forecast, although it is also dependent on relatively low-cost growth.

In general, the Council's focus on 'zero-based budgeting'[24] and achieving recurrent savings is a positive step, noting its improved financial sustainability outlook in the medium to long term does rely on it achieving 'cost savings'. Noting the savings already achieved by the Council in its 2022-23 budget, the Commission considers that it would be appropriate for it to:

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

Net financial liabilities

The City of Prospect has demonstrated a prudent approach to debt management (of total operating income). Its net financial liabilities ratio[25] has comfortably met the sector benchmark (between zero

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

[21] The Council adopted target ranges for the operating surplus ratio of -1 to 3 percent annually and a minimum of 0 percent for the five-year average (City of Prospect, *2022-2023 Annual Business Plan & Budget*, June 2022, p. 42).

[22] 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).

[23] Based on RBA forecasts for CPI (Australia wide) to June 2025, calculated as average annual increases by the Commission and with an assumed return to long run averages (2.5 percent per annum) from 2025-26.

[24] Zero-based budgeting is a method of budgeting whereby all expenses must be reviewed and justified for each new period.

[25] The net financial liabilities ratio is defined as: Net financial liabilities ÷ Total operating income. This ratio measures the extent to which a council's total operating income covers, or otherwise, its net financial liabilities.

and 100 percent) [26] over the past 10 years, with an average of 40 percent between 2011-12 and 2020-21.[27]

The Council intends to continue to only accumulate debt and other liabilities that its operating income can reasonably service. With continued growth in liabilities, the ratio is forecast to peak at 83 percent in 2026-27, before trending down to 68 percent by 2031-32.

However, the Council's projected debt in 2022-23 is approximately 9.2 percent of its equity (as of 30 June 2023) and the Council's Chief Executive Officer noted how this is "*equivalent to a $46,000 mortgage or so on a $500,000 house*".[28] Therefore, it might still be prudent to consider additional borrowings in later years, relative to its forecasts, but this will depend on its future income capacity.

Asset renewals expenditure

The Commission's review of the Council's performance regarding its asset renewals expenditure has relied on information provided from its draft AMPs, since the Council is still in the process of finalising them[29] to meet its legislative requirement in this regard.[30]

With reference to draft AMP estimates, the City of Prospect's performance against its asset renewal funding ratio[31] and annual expenditure on asset renewal works has been relatively volatile over the past 10 years. On average, the ratio from 2011-12 to 2020-21 was 119 percent, which is outside the suggested LGA target range.[32]

In the 2022-23 LTFP, the asset renewal funding ratio is forecast to continue to exceed the target range over the forecast period – as high as 301 percent in 2022-23 with significant grant funding contributing to the Broadview Oval Community and Sports Hub and Churchill Road and Livingstone Avenue reconstruction and drainage upgrades.

The ratio is then forecast to track between 120 and 130 percent to 2031-32. Assuming the accuracy of the required asset expenditure from draft AMPs (and notwithstanding the need for extra funding for any acquisition purposes), this might suggest a projected overspend on asset renewal and rehabilitation works by the Council over this period by as much as $1.5 million per annum, on average, or $147 per ratepayer each year.[33]

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26 The suggested 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).

27 The Council's target range for the ratio of 'below 90 percent' is within the sector's suggested LGA target range (between zero and 100 percent).

28 City of Prospect, *Ordinary Council Meeting Agenda – 28 June 2022, Item 12.3 – Chief Executive Officer's Statement on Financial Sustainability – Annual Business Plan 2022-2023*, p. 264, available at https://www.prospect.sa.gov.au/__data/assets/pdf_file/0022/1168015/Council-Agenda-28062022.pdf.

29 City of Prospect, *2022-2023 Annual Business Plan & Budget*, June 2022, p. 39. See also footnote 11.

30 s122(1a)(b) of the LG Act.

31 The IAMP-based method is the current industry standard whereby net asset renewal/replacement expenditure is divided by the recommended expenditure in the IAMP (or AMP). The suggested target range for local councils is 90 to 110 percent (LGA SA Financial Indicators Paper, p. 9). The City of Prospect has a broader range (90 to 120 percent). Prior to 2013, the calculation of the ratio in the sector was based on the 'depreciation method' and was known as the asset sustainability ratio until 2018.

32 The performance of the ratio depends on whether the calculation is based on the net asset renewal expenditure (excluding asset sales) or gross capital renewal expenditure. In some years, significant asset sales have reduced the ratio if based on net asset renewal expenditure (eg, in 2019-20), but the volatility across years for the City of Prospect is evident under both methods.

33 This represents the amount of asset renewal works expenditure above the ratio being met at 110 percent. There is still a potential overspend of $93 per ratepayer if above the Council's upper limit for the ratio of 120 percent.

Overall, the Council's LTFP forecasts average annual renewal works expenditure of $8.2 million from 2022-23 to 2031-32, almost double the average over the 10 years to 2020-21 ($4.4 million). The Commission estimates that CPI growth could account for around 38 percent of the increase over this time.

Based on the draft AMPs, there are currently some anomalies between the asset renewal budgets and the budgets in its 2022-23 LTFP.[34] The Draft AMP Summary states that asset renewal needs from 2022-23 will average $5.2 million per annum to 2030-31 whereas, the LTFP has budgeted for an average of $8.1 million per annum (to 2030-31). The higher LTFP estimate accounts for more than the impact of inflation between the two estimate periods (noting these estimates are in nominal terms).

Given the significant change in depreciation estimates in its 2022-23 LTFP, the difference between the draft AMP and LTFP projections, and the pressure on rate levels in the short term from higher spending on renewal works (as well as other inflationary pressures), it would be appropriate for the City of Prospect to:

3. **Review** the assumptions underpinning its asset management plans to ensure those plans incorporate a more accurate picture of required asset expenditure and better alignment with the allocations in its long-term financial plan as necessary, including the estimate for asset lives and valuations feeding into the forecast rates of asset consumption and depreciation expenses.
4. **Finalise** and adopt its asset management plans across different asset categories and make them accessible from its website.

2.2.3 Advice on current and projected rate levels

The City of Prospect's rate revenue growth has averaged 4.4 percent or $79 per annum for each property over the past 10 years.[35] This compares with CPI growth of an average of 1.7 percent per annum, over this period and encompasses average annual growth of 0.2 percent in rateable property numbers.[36]

In 2022-23, the Council increased residential rates by an average of 4.9 percent or $109 to $2,065 per property. It generally increased its commercial and industrial rates by higher amounts.[37] Over the forward years of its LTFP, the Council is projecting further average annual rates increases for its ratepayers of 3.3 percent from 2023-24 to 2025-26 and then 2.75 percent from 2026-27. In total, the LTFP effectively projects a cumulative increase of $781 per existing ratepayer by 2031-32, an increase of $111 above the Council's assumed CPI inflation growth over this period.[38]

The City of Prospect's rates revenue forecasts (averaging 3.9 per annum to 2031-32) also factor in average annual growth of 1.0 percent in property numbers. Should lower growth eventuate, this might be a catalyst for the Council to increase average rate levels by more than it has forecast. Therefore, it would be appropriate for it to:

[34] The financial projections in a LTFP adopted by a council must be consistent with those in the adopted IAMP (s122(1b) of the LG Act).
[35] From 2011-12 to 2020-21.
[36] CPI (All groups). Average annual growth in the LGPI published by the South Australian Centre for Economic Studies was similar (at 1.9 percent) to CPI growth over this period. Available at https://www.adelaide.edu.au/saces/economic-and-social-indicators/local-government-price-index.
[37] City of Prospect, *2022-2023 Annual Business Plan & Budget*, June 2022, p. 73.
[38] Based on the City of Prospect's financial template data provided to the Commission, City of Prospect, *2022-2023 Annual Business Plan & Budget,* June 2022, p. 41 and the Commission's calculations.

5. **Review** the rateable property growth forecasts in its budget projections each year to ensure that they remain current and do not create a need for additional rate increases to generate the same level of projected revenue.

The Commission notes that the Council has considered the affordability of future rate rises and that there is some evidence of capacity to pay for higher rate levels in the community based on:

- the area's relatively high socio-economic indexes for areas (**SEIFA**) economic resources ranking[39] and
- the community survey results, which indicated some support for a 3.5 percent rate increase in 2022-23.[40]

Nonetheless, residential rates are already relatively high[41] and affordability risks for the City of Prospect could emerge with further rate increases, particularly when also considering the risks associated with its low-cost growth forecasts. Its community survey indicated low support among the community for a rate increase as high as 4.7 percent in 2022 23.[42] In addition, the current economic environment is reducing the capacity to pay for higher rates for many communities, including the City of Prospect. Therefore, to reduce any emerging affordability risk for its ratepayers, and considering where there could still be genuine opportunities for cost reduction in its LTFP, it would be appropriate for the Council to:

6. **Consider** reducing future rate increases and proposed capital expenditure, in consultation with its community and in the context of desired service levels, to minimise any 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 City of Prospect's:

- ongoing performance against its LTFP estimates
- achievement of cost savings and efficiencies, and its reporting of these achievements
- adoption of its AMPs and actions to address any misalignment between the capital expenditure and depreciation estimates in its LTFP and various AMPs
- monitoring and reporting of the desired levels of service by the community for its various service assets in its AMPs, and
- how it has sought to address any emerging affordability risks.

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[39] The City of Prospect area is ranked 49 among 71 South Australian '*local government areas*' (including Anangu Pitjantjatjara and Maralinga Tjarutja Aboriginal community areas and 'unincorporated SA') on the Australian Bureau of Statistics SEIFA Index of Economic Resources (2016), where a lower score (eg, 1) denotes relatively lower access to economic resources in general, compared with other areas, available at https://www.abs.gov.au/ausstats/subscriber.nsf/log?openagent&2033055001%20-%20lga%20indexes.xls&2033.0.55.001&Data%20Cubes&5604C75C214CD3D0CA25825D000F91AE&0&2016&27.03.2018&Latest.

[40] City of Prospect, *Ordinary Council Meeting Agenda – 28 June 2022, Item 12.2 – Attachment 1, Draft Annual Business Plan 2022-2023 – Summary of Engagement Process*, p. 9.

[41] Refer to the Councils in Focus website available at https://councilsinfocus.sa.gov.au/councils/city_of_prospect for 2019-20 rates data by council, noting the history of rate increases by the Council and the SEIFA indicator has already guided the Commission in its advice (the Councils in Focus data provides more detail about average rate levels by rates category).

[42] See footnote 40.



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Response to ESCOSA Advice

The outcome of the ESCOSA Review was not a surprise and it is pleasing to receive confirmation that the Commission found that Council has managed its financial position in a sustainable manner. The Commission also noted that Council has implemented a period of capital enhancement and service expansion for its community, including delivering the new Payinthi multiuse centre.

A summary of response is presented below:

Advice	Response
Continue to review its inflation forecasts in its budget and forward projections each year.	Reviews are conducted regularly, with the most recent review taken place in February 2024 by Council's Audit & Risk Committee. *2025 update – Council continues to review the inflation forecasts as part of the annual long-term financial plan review*
Continue to report its cost savings and efficiencies in its future budgets, to demonstrate its commitment to achieving cost control and efficiency across its operations and service delivery.	Council continually reports on cost saving initiatives and efficiencies across its operations and service deliveries through its annual budget process. *2025 update – Council is still continuing this and ensuring that the long-term financial plan is also updated accordingly*
Review the assumptions underpinning its asset management plans to ensure those plans incorporate a more accurate picture of required asset expenditure and better alignment with the allocations in its Long-Term Financial Plan as necessary, including the estimate for asset lives and valuations feeding into the forecast rates of asset consumption and depreciation expenses.	Council will continue to actively review the assumptions against available data and consider the impacts of the Long-Term Financial Plan. *2025 update – Council includes the asset management plans as part of the annual review of the long-term financial plan*



Advice	Response
Finalise and adopt its asset management plans across different asset categories and make them accessible from its website.	Council is expected to adopt its Draft Asset Management Plan (AMP) by 30/06/2023. Work on revised AMP is expected to commence in late 2023. *2025 update – Asset management plans are available on the website and we are now in the cycle of reviewing these asset management plans on a cycle, which will ensure that the data being used is relatively current.* *2025 Update – the cycle of reviewing the asset management plans is continuing with transport and building assets to be completed during 2025, with open space and stormwater to follow.*
Review the rateable property growth forecasts in its budget projections each year to ensure that they remain current and do not create a need for additional rate increases to generate the same level of projected revenue.	Through the annual budget process, Council continually monitors its rateable property growth forecasts, including through its Audit and Risk Committee. *2025 Update – this process is continuing*
Consider reducing future rate increases and proposed capital expenditure, in consultation with its community and in the context of desired service levels, to minimise any affordability risk.	Council's rate increases in recent years have consistently been at or below the rate of inflation, and rates in the dollar have been in decline since 2020/2021. Rate increase and proposed expenditure will continue to be considered in the context of council's service levels. As part of Council's draft budget process, Council will continue to consult with the community regarding the proposed activities and rate increase. *2025 Update – this process is continuing.*

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