ANNUAL REPORT 2025/26

City of Charles Sturt

MEANS THE WORLD

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ACKNOWLEDGEMENT OF COUNTRY

The City of Charles Sturt acknowledges that the land on which we work and live is the traditional Country of the Kaurna people of the Adelaide Plains.

We recognise and respect the Kaurna people's continuing cultural, spiritual and community connection to land, waters and culture. We pay our respects to Kaurna Elders past and present and acknowledge Aboriginal and Torres Strait Islander peoples from other Nations who live, work and contribute to the life of our City.

A MESSAGE FROM THE CEO

Our City is experiencing change, and our community is changing with it.

We are working collaboratively with you, our residents and businesses across Charles Sturt to progress projects and introduce initiatives that make everyday life better for our community. Some of this work across the City is highly visible, such as upgrades to our streets, parks and community facilities. Other work happens quietly each day through the services we provide, the support we give local businesses and community groups, and the work behind the scenes to keep our City running smoothly. Together, it all contributes to making Charles Sturt a place people feel proud to call home.

There were many achievements across the past year. The redevelopment of West Lakes Sports Club created a safer and more accessible community venue, while more than 5,000 trees were planted across 239 streets to help create cooler, greener neighbourhoods. More households embraced community renewable energy, and we worked with you to shape a refreshed Disability Access and Inclusion Plan. Our community had a strong voice in shaping our work, with more than 7,100 contributions received through community-facing projects throughout the year. We supported local businesses, events, volunteers and community programs that create opportunities for people to connect and participate. I am also proud of the contribution our people continue to make every day within our organisation. From maintaining streets and open spaces to supporting residents, delivering programs and planning the next major project, the work of our employees can be seen and felt across Charles Sturt.

We remained focused on getting the best value for our community. During the year, we strengthened how we identify savings and productivity improvements and secured more than $7.8 million in external funding to help strengthen the impact of our investment. We also maintained a sound financial position, with our key financial sustainability indicators remaining within benchmark ranges. This gives us a strong foundation to keep delivering the services people rely on while investing responsibly for our future. Looking ahead, there's plenty of exciting things to come. Projects including the Football Park open space project, St Clair Recreation Precinct, Chief Street streetscape upgrade and Woodville Town Hall upgrade are some of the highlights, alongside the everyday services and improvements taking place across our neighbourhoods.

Thank you to everyone who took the time to share their ideas, experiences and feedback with us throughout the year. I'd also like to acknowledge and thank our Elected Members and employees for their significant contribution throughout the 2025/26 financial year.

I look forward to continuing this work together in the year ahead.



Paul Sutton
Chief Executive Officer



FACTS ABOUT CHARLES STURT IN 2025/26

MAYOR
Angela Evans



CEO
Paul Sutton



16
Councillors



130,841
Population



471
Parks and Reserves



508.12
Full-Time Equivalent



58,130 TONNES WITH 51% DIVERTED
Recyclable Waste and Material



5,566HA
Total Area



6
Community Centres



9,903
Vaccines



893
New Citizens



291HA
Reserves Maintained



11.5KM
Length of Coast



5
Libraries

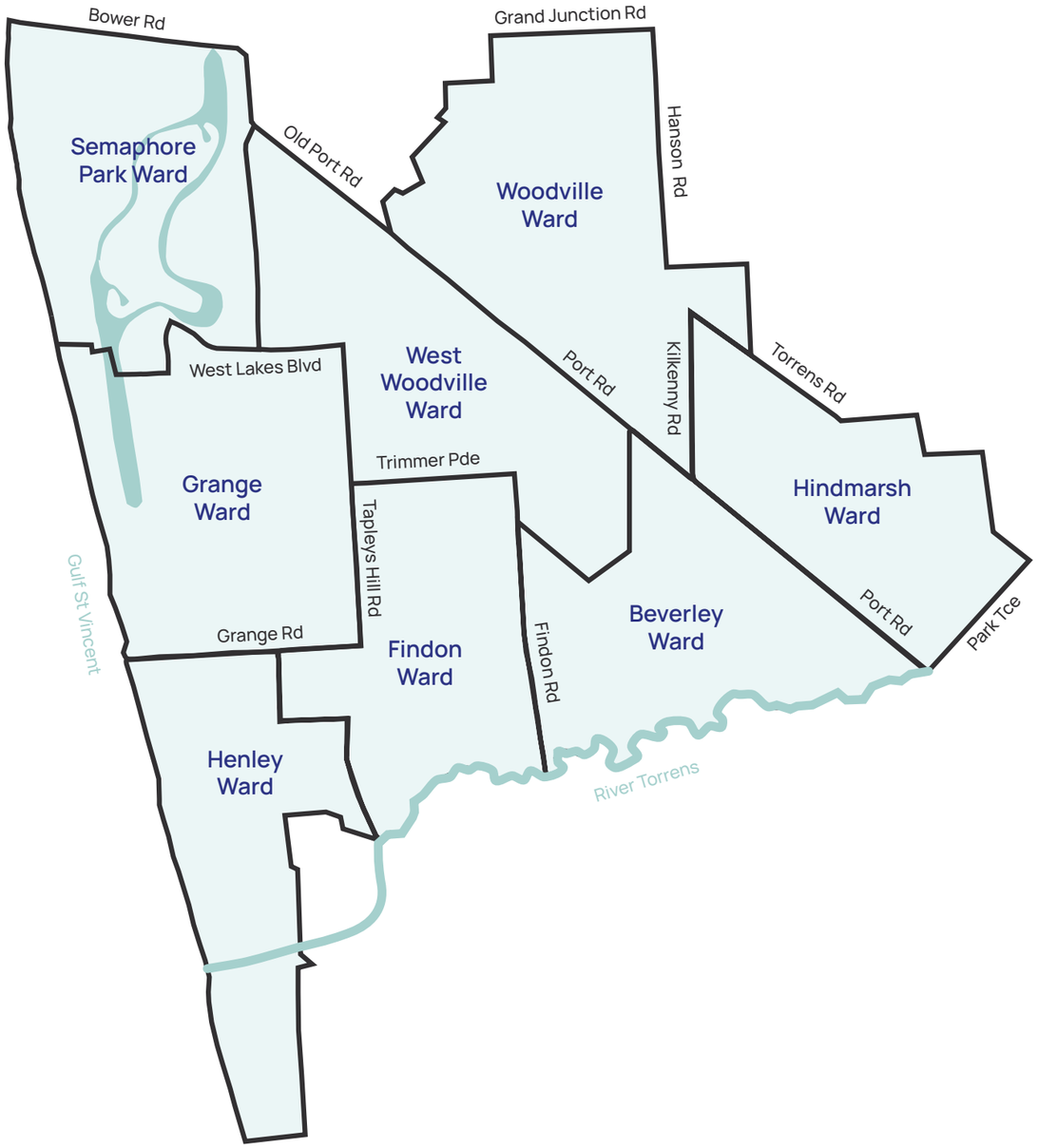


616KM
Roadways Maintained



OUR COUNCIL

The City of Charles Sturt is represented by 17 Elected Members, consisting of the Mayor and 16 Councillors. Each of the eight wards elects two Councillors. Collectively, they determine the City's strategic direction.



ELECTED MEMBERS

MAYOR



Mayor Angela Evans

BEVERLEY WARD



Cr Edgar Agius OAM, JP



Cr Michael McEwen

HINDMARSH WARD



Cr Alice Campbell



Cr Katriona Kinsella

FINDON WARD



Cr Peter Ppiros



Cr George Turelli

SEMAPHORE PARK WARD



Cr Stuart Ghent JP



Cr Nicholas LeLacheur

GRANGE WARD



Cr Tom Scheffler



Cr Rachele Tullio

WEST WOODVILLE WARD



Cr Nicole Mazeika



Cr Kelly Thomas

HENLEY WARD



Cr Merlindie Fardone



Cr Kenzie van den Nieuwelaar

WOODVILLE WARD



Cr Senthil Chidambaranathan



Cr Khuyen (Quin) Tran

COUNCIL & COMMITTEE STRUCTURE

Council Meeting

Presiding Member: Mayor Angela Evans

Membership: Mayor and all Councillors (Deputy Mayor elected).

Meets: 7pm, second and fourth Monday each month, with one meeting in January and December.

To consider:

- Reports from the Mayor, Elected Members, CEO and Council employees
- Deputations, petitions, questions and motions
- Statutory business, committee reports and recommendations.

Member	Meetings Attended (of 22)	Leave of Absence Granted	Apology Recorded
Mayor Evans	22	0	0
Cr Agius	21	0	1
Cr Campbell	19	0	3
Cr Chidambaranathan	16	5	1
Cr Fardone	15	2	5
Cr Ghent	22	0	0
Cr Kinsella	18	0	4
Cr Le Lacheur	20	0	2
Cr Mazeika	19	0	3
Cr McEwen	16	0	6
Cr Ppiros	22	0	0
Cr Scheffler	12	3	7
Cr Thomas	22	0	0
Cr Tran	19	3	0
Cr Tullio	18	1	3
Cr Turelli	18	3	1
Cr van den Nieuwelaar	15	2	5

Table 1: Full Council — Record of attendance from 1 July 2025 to 30 June 2026.

Audit & Risk Committee

Presiding Member: Cr Le Lacheur

Membership: Presiding Member, one other Councillor and three independent members.

Meets: Quarterly at 6.00 pm on a nominated weekday between February and November.

The Audit and Risk Committee has responsibility to provide independent assurance and advice to the Council on accounting, financial management, internal controls, risk management and governance matters. Reports to Council with recommendations in the form of committee minutes.

Member	Meetings Attended (of 5)	Leave of Absence Granted	Apology Recorded
Independent Committee Member			
Mr Brass	5	0	0
Ms Dawber	5	0	0
Mr Spadavecchia	5	0	0
Elected Member			
Cr Chidambaranathan	3	1	1
Cr Le Lacheur	4	0	1

Table 2: Audit and Risk Committee — Record of attendance from 1 July 2025 to 30 June 2026.

COUNCIL & COMMITTEE STRUCTURE

Council Assessment Panel

Presiding Member: Ms S Johnston

Membership: Independent Presiding Member, three independent experts, one Council Member and one Deputy Council Member (Deputy Council Member only required to attend in the absence of the Council Member).

Meets: Third Wednesday of each month at 6.30 pm.

As an authority under the Planning, Development and Infrastructure Act 2016, the Panel considers notified applications where any one of the following apply:

- Applications where representations have been received and the representer(s) wish to be heard; or
- Large scale (with a total floor area greater than 2000m2) industrial or commercial developments; or
- Amendments to licensed premises, or potentially licensed premises, that will permanently increase the hours of trade or numbers of patrons at the venue (excluding restaurants); or
- Applications for development involving heritage places or within the Historic Area Overlay where:
- The Officer's recommendation is contrary to Council's Heritage Advisor's advice; or
- Any form of new dwelling application that proposes the establishment of a new site area 10% or more below the minimum area specified for the dwelling within the Planning and Design Code.
- Ms Chelsea Tully resigned from the Panel in September 2025 and Mr Henry Inat replaced Ms Tully as an independent member commencing January 2026.

Member	Meetings Attended (of 12)	Leave of Absence Granted	Apology Recorded
Elected Member			
Cr Ppiros Member	12	0	0
Cr Agius Deputy Member	0	0	0
Independent Committee Member			
Ms Johnston Presiding Member	11	0	1
Mr Rutt	11	0	1
Ms Tully	3 (of 3 meetings)	0	0
Mr Smith	9	0	3
Mr Inat	5 (of 6 meetings)	0	1

Table 3: Council Assessment Panel — Record of attendance from 1 July 2025 to 30 June 2026.

Building Fire Safety Committee

Membership: Council's Building Surveyors and a representative from the Metropolitan Fire Service.

Meets: Quarterly.

The Charles Sturt Building Fire Safety Committee acts in an advisory role to provide support to Council and its committees.

The Building Fire Safety Committee (BFSC) was established in accordance with the requirements of Section 157 (17) of the Planning, Development and Infrastructure Act 2016 (PDI ACT).

The purpose of the Building Fire Safety Committee is to maintain proper levels of fire safety in all buildings within the Council area. The activities of the BFSC are additional and separate to the building inspections undertaken under Council's Building Inspection Policy. The committee shall consist of three members with a quorum of the Committee being two members.

During the 2025/26 financial year, the Building Fire Safety Committee met on five occasions and conducted inspections of two properties.

Throughout the year, Council's Building Surveying Officers provided regular updates to the Committee on the progress of fire safety upgrade works being undertaken at 20 properties subject to BFSC actions. During the reporting period, four properties successfully completed their required fire safety upgrade works.

As of 30 June 2026, a total of 21 properties remained under active monitoring by Council's Building Surveying Officers, with fire safety service upgrades either underway or still required to achieve compliance.

Membership of the Building Fire Safety Committee (BFSC) consists of:

- The following staff being a person appointed by the Council and who holds prescribed qualifications in building surveying pursuant to Section 157(17)(a)(i);
  1. **Marija Vjestica**
  2. **Byron Edwards**
  3. **Danny Hardi**
  4. **Tony Travaglione**
  5. **Elio Calo**
  6. **Paul Skoumbros**

  Please note: Only one staff member from the list shall participate on the Committee at a scheduled meeting.
- A Person approved by the Chief Officer of the South Australian Metropolitan Fire Service (MFS) as being an authorised MFS officer under Part 3 Division 5 of the Fire and Emergency Services Act 2005 pursuant to Section 157(17)(a)(ii).

  Please note: Only one person approved by the Chief Officer of the SAMFS shall participate on the Committee at a scheduled meeting.
- Marija Vjestica or Byron Edwards are appointed by the Council as person(s) with expertise in the area of fire safety pursuant to Section 157(17)(a)(iii).

  Please note: Either Byron Edwards or Marija Vjestica is required to participate in any scheduled committee meeting in this capacity.

COUNCIL & COMMITTEE STRUCTURE

Corporate Services Committee

Presiding Member: Cr McEwen

Membership: Mayor (ex-officio), Presiding Member and three Councillors from October 2025.

Meets: Monthly at 6.00 pm on the first Monday of the month.

Please note: As the Mayor is an ex officio member, apologies are not required to be recorded.

The Corporate Services Committee makes recommendations to Council on all financial and Council policy and delegation issues affecting the business of Council to ensure it governs in a responsible and accountable way.

The Committee reports to Council with recommendations in the form of committee minutes.

Member	Meetings Attended (of 8)	Leave of Absence Granted	Apology Recorded
Mayor Evans (ex officio)	8	0	0
Cr Campbell	7	0	1
Cr Le Lacheur	6	0	1
Cr McEwen	7	0	1
Cr Fardone*	1 (of 2 meetings)	0	1
Cr Ppiros**	4 (of 6 meetings)	0	2
*Resigned from Corporate Services Committee at Council meeting on 22 September 2025, Item 6.5			
**Appointed to Corporate Services Committee at Council meeting on 22 September 2025, Item 6.5			

Table 4: Corporate Services Committee — Record of attendance from 1 July 2025 to 30 June 2026.

Operations Committee

Presiding Member: Cr Chidambaranathan

Membership: Mayor (ex-officio), Presiding Member and five Councillors from July 2025.

Mayor (ex-officio), Presiding Member and four Councillors from September 2025.

Meets: Monthly at 6.00 pm on the third Monday of the month.

Please note: The Mayor is an ex-officio member of the two committees that meet concurrently and as such, is able to attend either one on any occasion. Apologies are not required to be recorded.

The Operations Committee makes recommendations to Council on project delivery updates (both Capital and Annual Operating) project variations and operational matters. It recommends on divisional operations to best meet the needs and aspirations of the Charles Sturt Community.

The Operations Committee reports to Council with recommendations in the form of committee minutes.

Member	Meetings Attended (of 10)	Leave of Absence Granted	Apology Recorded
Mayor Evans (ex officio)	3	0	0
Cr Agius	10	0	0
Cr Campbell	8	0	2
Cr Chidambaranathan	6	3	1
Cr Fardone*	2 (of 3 meetings)	0	1
Cr Ghent	8	0	2
Cr Scheffler	7	1	2
*Resigned from Operations Committee at Council meeting on 22 September 2025, Item 6.5			

Table 5: Operations Committee — Record of attendance from 1 July 2025 to 30 June 2026.

COUNCIL & COMMITTEE STRUCTURE

Strategic & Engagement Committee

Presiding Member: Cr Mazeika

Membership: Mayor (ex-officio), Presiding Member and six Councillors.

Meets: Monthly at 6.00 pm on the third Monday of the month .

Please note: The Mayor is ex-officio of two Committees that meet concurrently and as such, is able to attend either one on any occasion. Apologies are not required to be recorded.

The Strategic and Engagement Committee makes recommendations to Council on strategies for development for our City, environmental sustainability, planning policy and changes, and community consultation and engagement to best meet the needs and aspirations of the Charles Sturt community.

The Committee reports to Council with recommendations in the form of committee minutes.

Council Member	Meetings Attended (of 10)	Leave of Absence Granted	Apology Recorded
Mayor Evans (ex officio)	10	0	0
Cr Kinsella	8	0	2
Cr Le Lacheur	9	0	1
Cr Mazeika	10	0	0
Cr McEwen*	4 (of 9 meetings)	0	5
Cr Ppiros	9	0	1
Cr Tullio	9	0	1
Cr Tran	9	0	1
Cr Fardone**	3 (of 5 meetings)	1	1
*Resigned from the Strategic and Engagement Committee at Council meeting on 25 May 2026, Item 6.5			
**Appointed to Strategic and Engagement Committee at Council meeting on 8 December 2025, Item 6.11			

Table 6: Strategic and Engagement Committee — Record of attendance from 1 July 2025 to 30 June 2026.

Council & Committee Meeting Attendance Summary

Please note: Mayor Evans is ex-officio of two Committees that meet concurrently and as such, is able to attend either one on any occasion.

Member	Total Meetings Attended	Out of Maximum Possible Meetings
Mayor Evans	43	50
Cr Agius*	31	32
Cr Campbell	34	40
Cr Chidambaranathan**	25	37
Cr Fardone**	21	32
Cr Ghent	30	32
Cr Kinsella	26	32
Cr Le Lacheur	39	45
Cr Mazeika	29	32
Cr McEwen	27	39
Cr Ppiros	47	50
Cr Scheffler	19	32
Cr Thomas	22	22
Cr Tran	28	32
Cr Tullio	27	32
Cr Turelli	18	22
Cr van den Nieuwelaar	15	22
*Deputy Member of Council Assessment Panel meetings can only attend in the absence of the appointed member of Council.		
**Cr Chidambaranathan and Cr Fardone were required to take a Leave of Absence while contesting the State Election.		

Table 7: Council and Committee Meeting Attendance Summary for Council Elected Members – from 1 July 2025 to 30 June 2026.

COUNCIL & COMMITTEE STRUCTURE

Independent Committee Meeting Attendance Summary

Please note: All listed individuals are Independent Committee Members.

Independent Committee Member	Total Meetings Attended	Out of Maximum Possible Meetings
Mr Brass	5	5
Ms Dawber	5	5
Mr Inat	5	6
Ms Johnston	11	12
Mr Rutt	11	12
Mr Smith	9	12
Mr Spadavecchia	5	5
Ms Tully	3	3

Table 8: Independent Audit and Risk Committee — Record of attendance from 1 July 2025 to 30 June 2026.

Council & Committee Meeting Item Summary

The following table shows the number of items considered by Council and its various Committees during 2025/26, compared with figures from the previous three years.

Please note: This table does not include the consideration and adoption of the reports and minutes of Council's standing committees, Deputations, Petitions, Notices of Motion/Motions without Notice or Questions on/without Notice.

Council/Committee	2022/23	2023/24	2024/25	2025/26
Council	150	128	129	177
Audit and Risk Committee	22	29	35	40
Corporate Services Committee	41	48	37	46
Council Assessment Panel	48	35	35	42
Operations Committee	N/A	N/A	20	41
Strategic and Engagement Committee	N/A	N/A	35	69
Total	**352**	**356**	**344**	**415**

Table 9: Council and Committee Meeting Item Summary during 2025/26, compared with the previous three years.

COUNCIL & COMMITTEE STRUCTURE

Elected Member Training & Development

In addition to the below, in-house workshops and education forums are made available to Elected Members at regular intervals.

Name of Conference	Council Member in Attendance
2025 SACCA Coastal Forum	Cr Thomas and Cr van den Nieuwelaar
2025 LGFA AGM	Mayor Evans
2025 LGA AGM	Mayor Evans and Cr Kinsella
Beyond Compliance: 2025 Audit and Risk Chairs Forum	Cr Le Lacheur
Deputy Mayor Forum	Cr Kinsella
2026 ALGA NGA	Mayor Evans, Cr Agius and Cr Campbell
LGA Presidents Webinar	Mayor Evans

Table 10: Elected Member Training and Development.

Elected Member & Independent Member Allowances

Section 76 of the Local Government Act 1999 provides that each member of a council is entitled to receive an annual allowance for performing and discharging official functions and duties.

Elected Members' allowances are determined by the Independent Remuneration Tribunal, and the nominated allowances came into effect post November 2014 local government Elections. Members are paid in accordance with this determination.

In accordance with the Local Government 1999 Section 76(9) Allowance and Benefits, the allowance is to be adjusted on the first, second and third anniversaries of the relevant periodic elections to reflect changes in the Consumer Price Index. This section sets out allowances available to Elected Members. A loading is paid to Elected Members if they have chaired a committee across the relevant period.

Independent Member	Annual Allowance 1 July 2025 to 30 June 2026
Audit and Risk Committee	
Ms Dawber	$3,000.00
Mr Brass	$3,000.00
Mr Spadavecchia	$3,000.00
Council Assessment Panel	
Ms Johnston	$7,590.00
Mr Rutt	$6,380.00
Mr Smith	$5,330.00
Ms Tully	$1,740.00
Mr Inat	$2,320.00

Table 11: Independent Member Allowances.

COUNCIL & COMMITTEE STRUCTURE

Council Member	Annual Allowance 1 July 2025 to 30 June 2026
Mayor	
Mayor Evans	$113,855.31
Deputy Mayor	
Cr Agius (until 29 November 2025)	$33,214.38
Cr Kinsella (from 30 November 2025)	$34,489.84
Committee Presiding Members	
Cr Chidambaranathan – Operations Committee	$31,951.08
Cr Le Lacheur – Audit and Risk Committee	$37,440.06
Cr Mazeika – Strategic and Engagement Committee	$37,440.06
Cr McEwen – Corporate Services Committee	$37,440.06
Councillors	
Cr Campbell	$30,395.02
Cr van den Nieuwelaar	$29,087.56
Cr Turelli	$30,264.16
Cr Fardone	$27,489.65
Cr Ghent	$30,264.17
Cr Ppiros – inclusive of Council Assessment Panel	$37,804.16
Cr Tran	$30,264.16
Cr Tullio	$30,264.16
Cr Thomas	$30,264.16
Cr Scheffler	$30,264.16

Table 12: Elected Member Allowances.

REPRESENTATION QUOTA

Representation & Elections

Our representation quota is 1:5,422, based on 92,189 electors and 17 Elected Members. Our City has a Mayor elected by the whole community and 16 Councillors representing eight wards. The table below compares our representation quota with other metropolitan councils.

Average representation quota for councils of a similar size and type: 1:6,404.

Elector Representation Review

Our most recent representation review was undertaken in 2024/25. Changes to the Local Government Act 1999 require councils to have no more than 13 Elected Members by November 2026 unless an exemption is granted. In October 2025, the Electoral Commission of South Australia granted our City an exemption. As a result, our current structure will remain, with a Mayor elected by the whole community and 16 Councillors representing eight wards.

The timing of our next representation review is yet to be determined, pending the Minister's release of the next tranche of review dates.

Metropolitan Councils	Number of Elected Members	Number of Electors	Ratio
City of Charles Sturt	**17**	**92,189**	**1:5,422**
City of Salisbury	15	99,472	1:6,631
City of Port Adelaide Enfield	18	92,413	1:5,134
City of Onkaparinga	13	137,246	1:10,557
City of Marion	13	69,637	1:5,356
City of Tea Tree Gully	13	75,534	1:5,810
City of Playford	16	78,937	1:4,933

Table 13: Representation Quota Comparison – Metropolitan Councils.
Data Source: Electoral Commission SA July 2026 (available from LGA SA).



CHIEF EXECUTIVE OFFICER

Paul Sutton
City of Charles Sturt

Ben Michael
Manager Performance, BI & Improvement



CITY OPERATIONS

Adrian Ralph
General Manager



Jamie Dunicliff
Manager Construction & Delivery



Shane Broadbent
Manager City Utilities



Dewald Hartzenberg
Manager City Maintenance



CITY FUTURES

Matt Romaine
General Manager



Sam Higgins
Manager City Property & Open Space



Sam Adams
Manager City Infrastructure



Greg Pattinson
Manager City Planning & Sustainability



Julie Vanco
Assessment Manager Development Services



CORPORATE SERVICES

Aly McGregor
General Manager



Carly Waterman
Manager Financial Services



John Wills
Manager Information Services



Laura Copeland
Manager Governance & Risk



Amy Pearce
Manager People & Culture



Grace Clark
Manager Strategic Procurement



ENGAGED COMMUNITY

Kristie Johnson
General Manager



Kristy Noakes
Manager Community Engagement & Experience



Bec Lyons
Manager Community Connections



Laura Watson
Manager Community Health & Safety



COUNCIL EMPLOYEES

Our people deliver the services, programs and projects our community relies on every day.

Our Chief Executive Officer (CEO) leads the organisation and is responsible for implementing Council decisions, supported by four General Managers who lead City Futures, City Operations, Corporate Services and Engaged Community. Together, our managers and teams work across these areas to deliver our priorities and services.

COUNCIL EMPLOYEES

Our Senior Leadership Team

At 30 June 2026, our Senior Leadership Team comprised the Chief Executive Officer (CEO), four General Managers and 16 Managers. Together, they lead our organisation and support our teams to deliver services for our community. Our five senior executive officers were:

Name	Title
Paul Sutton	Chief Executive Officer
Adrian Ralph	General Manager City Operations
Aly McGregor	General Manager Corporate Services
Kristie Johnson	General Manager Engaged Community
Matt Romaine	General Manager City Futures

Table 14: Our Senior Leadership Team.

Remuneration packages across the Senior Leadership Team ranged from $226,002 to $418,740 per annum, including 12% compulsory superannuation.

Seventeen packages included a motor vehicle for unrestricted private use, with relevant employees making a salary contribution towards vehicle costs.

No bonuses were payable. The four General Managers receive six weeks of annual leave.



COUNCIL EMPLOYEES



Our Employees

The tables below show our employees, trainees and apprentices at 30 June 2026 by full-time equivalent (FTE), headcount and gender. Figures exclude agency employees and casuals.

For further detail, please refer to the Audited Financial Statements in **Appendix 1.**

Employee Turnover & Absenteeism

During 2025/26:

- Employee turnover was 22% for our indoor workforce and 13% for our outdoor workforce. When casuals, fixed-term employees and organisation-initiated terminations were excluded, turnover was 11% for both workforces.
- Employees took an average of 10.63 sick leave days during the year.

Full-Time Equivalent Excluding Casuals

Note: Of the 508.12 FTE, 30 FTE are funded through capitalisation to deliver our capital program of works.

Division	Permanent	Contract	Total
Chief Executive's Office	4.40	2.60	7.00
City Futures	63.42	15.00	78.42
City Operations	220.56	8.80	231.36
Corporate Services	50.50	18.30	68.80
Engaged Community	99.49	23.05	122.54
Total	**438.37**	**67.75**	**508.12**

Table 15: Full-Time Equivalent (FTE) Excluding Casuals.

Employee Headcount by Gender Excluding Casuals

Division	Males	Females	Total
Chief Executive's Office	6	2	8
City Futures	44	39	83
City Operations	204	28	230
Corporate Services	30	45	75
Engaged Community	35	109	144
Total	**317**	**220**	**537**

Table 16: Employee Headcount by Gender (Excluding Casuals).

OUR PEOPLE AT CHARLES STURT

Total Workforce
(Excluding Casuals)



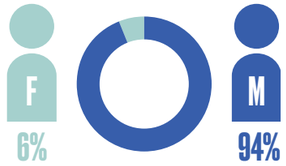
Indoor Workforce
(Excluding Casuals)

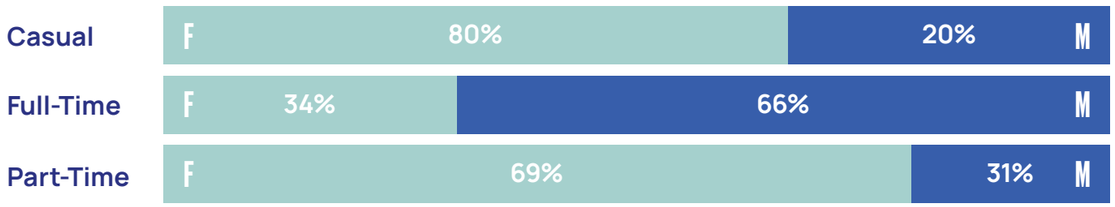


Indoor Workforce
(Including Casuals)



Outdoor Workforce
(No Casuals)





LEADERSHIP SPHERE OF INFLUENCE



Executive Team: 40% female (2 of 5)



Senior Leadership Team: 48% female (10 of 21)

DEVELOPING OUR PEOPLE



Graduate Program

Our first Graduate Program cohort successfully completed their two-year program, gaining experience across a range of projects and services and taking part in professional development opportunities across the organisation. Both graduates went on to secure further roles within our organisation, and we welcomed two new graduates to begin the program. The program continues to provide emerging professionals with opportunities to build their skills, gain practical experience and develop their careers with our City.

Leadership Development

We launched Leading with Impact, a new 18-month leadership development program combining practical learning, coaching, mentoring and leadership forums. The program also includes Whole Brain Thinking® and HBDI® profiling to help leaders build self-awareness, strengthen collaboration and develop their confidence and skills. It provides opportunities for leaders across the organisation to learn from each other and apply their learning in their day-to-day roles.

Employee Development

Our employees took part in a range of learning and development opportunities to support professional growth, build skills and strengthen how we bring our values to life in our everyday work. These opportunities help our people develop new capabilities, strengthen existing skills and respond to changing community expectations, technology and ways of working.

STRATEGIC MANAGEMENT



In May 2024, we endorsed our Community Vision: A place to call home, a place where we belong.

It sets the long-term direction for our City and guides how we work together to make that vision a reality. Our Community Vision is built around five themes, 21 outcomes, four flagship initiatives and four underpinning foundations.

Throughout 2025/26, we continued to deliver our Community Vision, Organisational Plan 2025–2030 and Annual Business Plan. This section highlights our performance against key measures and priorities in the 2025/26 Annual Business Plan, including progress and achievements across our Community Vision during the year.

During 2026/27, we will continue to progress key priorities and planned outcomes identified in our Annual Business Plan and Budget, including the Football Park open space project, Karrawirra Pari / Grange Creek Cultural Interpretation Project, St Clair Recreation Precinct, Jubilee Reserve Master Plan, Chief Street streetscape upgrade and Woodville Town Hall upgrade. These initiatives will advance through relevant planning, design and delivery stages, supporting the longer-term outcomes of our Community Vision and Organisational Plan.



FIRST NATIONS
RESPONSIBLE GOVERNANCE
EXCELLENCE IN CUSTOMER EXPERIENCE AND SERVICE PROVISION
STORYTELLING AND CONNECTION

FLAGSHIP INITIATIVES



LOCAL CENTRE REVITALISATION

We progressed a range of improvements across local centres to support local activity and enhance community spaces.

Planning and design continued for future projects in Kilkenny and along Tapleys Hill Road, Hendon, while works progressed to improve Queen and Elizabeth Streets in Croydon.

In Bowden and Ovingham, new shopfront roller doors and public artwork were delivered to improve safety, strengthen local identity and help create more inviting places for people to visit.



TREE CANOPY STRATEGY

We delivered a record 5,336 trees across 239 streets, supporting our target of 25% tree canopy coverage by 2045.

Planting was completed across streets and reserves throughout our City, while future planting programs were planned for Royal Park and Pennington.

The year also saw strong participation in the 10 Plants for $10 initiative and the successful trial of the Tree Coach system to support young trees during establishment.



COMMUNITY RENEWABLE ENERGY PROGRAM

Our new partnership with ShineHub helped residents explore solar and battery solutions to reduce energy costs.

Community interest remained strong, with well-attended information sessions, ongoing participation in the Bulk Buy program and 124 new agreements signed during 2026. By the end of 2025/26, 455 residents participated in the program.



CENTRAL PRECINCT – YOUR NEIGHBOURHOOD PLAN

We continued shaping the future of Cheltenham, Pennington, St Clair, Woodville North and Athol Park.

Building on earlier research and community feedback, we identified Woodville North, Athol Park and Pennington as priority areas for future projects.

Work also progressed on the Stroud Street Masterplan in Cheltenham, along with other planning and renewal projects to improve local spaces and strengthen neighbourhood identity.



LOCAL NEIGHBOURHOODS

LOCAL NEIGHBOURHOODS

KEY MEASURE	DATA COLLECTED	2025/26
Number and participants in community events and programs delivered or supported by Council	Events Delivered	7,783
	Participants	118,446
Sense of belonging	Community Survey	3.57 / 5
Number of businesses supported through grants and advisory services	Grants	71
	Advisory Services	421
Number of business events, attendees and satisfaction levels	Events	48
	Attendees	4,748
KMs of new or upgraded walking and cycling paths	Renewed / New & Upgrade	13km
Satisfaction with local roads, footpaths and shared use paths	Community Survey	6.82 / 10
Number of placemaking initiatives delivered	Delivered	370
	Contributed to	7
Council offers diverse experiences and is culturally rich	Community Survey	3.82 / 5
Delivery of key infrastructure and streetscape upgrades	No. of Initiatives	Multiple
Satisfaction with Council services and programs	Community Survey	3.63 / 5

OUR OUTCOMES

Our families, friends and neighbours create memories together

Our local businesses know your name

Our neighbourhoods enable us to walk or ride to get what we need

Our places appreciate and reflect their local history and culture

We create local connection within and between neighbourhoods

1. A redeveloped West Lakes Sports Club now provides a safer and more accessible community venue.
2. The Hawker Street upgrade improved safety, accessibility and connectivity for the community.
3. Visitors to Woodville Oval are benefiting from the upgraded Percy Fox Grandstand.
4. Gibson Street's renewal delivered safer travel, improved accessibility and increased greenery.
5. A major stormwater upgrade at Gleneagles Reserve strengthened community resilience to flooding.



VALUING NATURE

VALUING NATURE

KEY MEASURE	DATA COLLECTED	2025/26
Percentage of households within 300 metres of usable open space across the City	Percentage of Households	**17.5% (2024)**
Number of trees planted	Trees Planted	**5,336**
Percentage of tree canopy coverage	Percentage of Tree Canopy	**9.35% (2022)**
Carbon emissions from Council operations	tCO_2e Emitted	**18,159 tCO_2e (2024/25)**
Participation in environmental and climate-related programs	Participants	**5,222**
Financial value of conservation grants to maintain and protect Significant and Regulated trees on private land	Conservation Grant Value	**$15,948**
Satisfaction with parks, reserves, beaches	Community Survey	**7.68 / 10**
Engagement in community renewables	New Customers	**204**
Collaboration on environment	Community Survey	**3.53 / 5**

OUR OUTCOMES

Our City is cool, green and filled with life

Our beaches, open spaces and waterways invite reflection and wellbeing

We work together with our Community to protect our environment

1	Coordinated action supported communities responding to South Australia's harmful algal bloom.
2	5,336 new trees expanded canopy across 239 streets.
3	Strong participation in our Tree Rebate helped create cooler, greener neighbourhoods.
4	More households embraced community renewables, supporting a sustainable future.
5	Tree Coach innovation supported young trees to establish and thrive.





VIBRANT PLACES

VIBRANT PLACES

KEY MEASURE	DATA COLLECTED	2025/26
Number of public art assets across the City	Public Art Assets	**268**
Number of initiatives incorporating community-led design	Number of Initiatives	**13**
Number of outdoor dining seats	Seats	**1,301**
Number of events and attendance figures for Woodville Town Hall	Events	**193**
	Attendees	**58,640**
Value of Event Grants and Event Sponsorship	Grants	**37**
	Spend	**$171,246**
The City of Charles Sturt is culturally rich and offers diverse experiences	Community Survey	**3.82 / 5**
Number of major events and festivals held (Pax 500)	Major Events Held	**232**
There's always a lot to do in my community	Community Survey	**3.78 / 5**
Number and value of Shop Local Improvement Grants	Grants	**24**
	Spend	**$65,568**
Uptake of outdoor dining by businesses	New Businesses	**14**
Increase in spending at local businesses by residents and visitors	Resident	**$1.63b**
	Visitor	**$1.72b**

OUR OUTCOMES

Our spaces are unique, creative, interesting and engaging

Our City is recognised as a centre for events and for bringing people together

Our businesses contribute to the vibe of the destination

1	Henley Square welcomed thousands as our City came alive for the Tour Down Under.
2	Responsible pet ownership took centre stage at another successful Doggy Day at the Beach.
3	Music and creativity brought our coastal communities together at Coastal Sounds 2026.
4	More than 100 Fringe events filled venues across the City of Charles Sturt.
5	Confidence, capability and connection grew through the Women in the West Summit.



OUR TRANSFORMING CITY

OUR TRANSFORMING CITY

KEY MEASURE	DATA COLLECTED	2025/26
Number and value of heritage grants issued	Number	**21**
	Value	**$29,929**
Dwelling density and growth in dwelling numbers	Growth in Dwelling Numbers	**1,668**
Housing diversity mix (freestanding, terrace, unit, multi-storey)	Separate house	**32,241 (65.5%)**
	Semi-detached / townhouse	**11,614 (23.6%)**
	Flat / apartment	**5,166 (10.5%)**
	Other	**102 (0.2%)**
Affordable housing stock percentage (as a percentage of approved dwellings)	Affordable Housing	**27.10%**
Maintenance and expansion of the Character and Historic Area Overlays within our Land Use Policy Codes	Number of Code Amendments	**0**
Adaptive reuse of State and Local Heritage Properties	Adaptive Reuses	**15**
Investment in climate mitigation initiatives	Adaptation	**95**
	Mitigation	**82**
	Resilience	**149**
Vehicles per household/resident	Vehicles Per Household	**1.7**
Public transport patronage	Public Transport Patronage	**2,489,773**
Number and percentage of dwellings using non-car ways for journeys to work	People Not Using a Car to Work	**30.7% or 18,287**
Development and implementation of a climate risk tolerance and resilience investment framework	Framework Development	**In Progress**
Percentage of employment rates	Employment Rate	**97.1%**
Percentage of residents employed locally	Percent Locally Employed	**13,211 or 10.84% (2023)**
Local business success (growth in number of businesses, new/closure rates)	New Entries	**700**
	New Exits	**N/A**
The City of Charles Sturt is a place of opportunity for businesses	Community Survey	**3.66 / 5**

OUR OUTCOMES
We respect our heritage as we transform
We support diverse housing and infrastructure for our evolving communities
Our City is resilient to the impacts of climate change
Our City is prosperous, diverse, and supported by innovative businesses with a variety of employment opportunities

1	Cross-council irrigation team earned recognition for collaborative infrastructure delivery.
2	Improved beach access created a more inclusive coastline for people of all abilities.
3	Local business excellence was celebrated through the Business Recognition Awards.
4	Renown Park's Living Streets transformation created safer, greener and more welcoming streets.
5	River Torrens bank protection works restored eroded areas and improved trail safety.





CONNECTING & BELONGING

CONNECTING & BELONGING

KEY MEASURE	DATA COLLECTED	2025/26
Community-facing projects with consultation undertaken	No. of Projects	**58**
	No. of Contributions	**7,107**
Households with access to key services within defined distances	No. of Households within distance	**In Progress**
Projects delivered that adopt universal design principles	Projects Adopting Universal Design	**Complete**
Volunteer numbers and hours	Volunteers	**753**
	Hours of service	**18,544**
Our community feel that they can have a say about what is happening in their community	Community Survey	**3.53 / 5**
Number of visitors to our community centres and libraries	Visitors	**549,699**
Sporting and community facilities offering open access and inclusion discounts	Facilities offering discounts	**33**
Sporting and community club membership numbers	Membership numbers	**25,266 (Jun 25)**
Residential properties within 1km of a community centre, sporting club, reserve or library	No. of Properties	**In Progress**
Charles Sturt offers services and support when I need it	Community Survey	**3.88 / 5**
Engagement with programs and events supporting active living, health, and wellbeing	Participants	**24,317**
Charles Sturt is an inclusive and safe place for all people	Community Survey	**3.84 / 5**
Delivery of Disability Access and Inclusion Plan (DAIP) outcomes	Actions Complete	**47**
	Outstanding	**0**
Cultural diversity reflected in community activities	Diversity Reflected in activities	**Complete**
Community feels safe in their home, neighbourhood, and public places across our City	Community Survey	**8.34 / 10**
Importance and satisfaction with public lighting	Community Survey	**7.33 / 10**

OUR OUTCOMES
Our communities have a voice and feel respected and valued
Our community has access to spaces, services and support when needed
We create opportunities for communities to collaborate, engage and connect
Our City is a place where everyone can be healthy and safe

1	The dedication of our volunteers took centre stage during National Volunteer Week.
2	Extensive community consultation shaped our new Disability Access and Inclusion Plan.
3	Outstanding community champions were celebrated at the 2026 Citizen of the Year Awards.
4	The AVOID Frailty study strengthened confidence, wellbeing and healthy ageing.
5	We joined the Welcoming Cities Network to support a more inclusive, connected City.





STORYTELLING & CONNECTION

STORYTELLING & CONNECTION

KEY MEASURE	DATA COLLECTED	2025/26
Monthly eNewsletters sent to the City of Charles Sturt database	CCS E-Newsletter Distributed	**145,422**
	Library E-Newsletter Distributed	**365,484**
Quarterly Kaleidoscope magazine delivered	Magazines Delivered	**220,000**
Regular information on services, projects and two-way connection opportunities are shared on our digital platforms	Social Media Engagements	**58.01k**

OUR OUTCOMES

We will connect with our community, telling stories, sharing knowledge, increasing awareness, creating opportunity, strengthening partnerships, and promoting achievements.

A NEW ENEWSLETTER APPROACH

In 2025/26, we changed the way our eNewsletters work, bringing our distribution into one platform to reduce costs and create a simpler experience for subscribers. We introduced four focused eNewsletters – **Around Our City, City Pulse, Pets of Charles Sturt and Valuing Nature**, making it easier for people to choose the updates that interest them most. The new approach is helping us reach more people with relevant information, grow our subscriber base and strengthen engagement across our City.

QUARTERLY REPORT REVAMP

In 2025/26, we refreshed our quarterly reporting to make our progress against the Community Vision clearer and easier to follow. The new format brings together performance results, project updates, key achievements and community stories, helping people see what we delivered each quarter and how it contributes to our broader priorities.





FIRST NATIONS

FIRST NATIONS

KEY MEASURE	DATA COLLECTED	2025/26
Regular Reference Group meetings and outcomes	Regular Reference Group Meetings	**Ongoing**
Engage with a variety of First Nations communities	Engagement with First Nations Communities	**Ongoing**
Increased number and percentage of staff that have completed cultural awareness training	Completion rate	**90%**
Community survey: The City of Charles Sturt acknowledges and embraces our Kaurna and First Nations history	Community Survey	**4.03 / 5**

OUR OUTCOMES

We will acknowledge and embrace our Kaurna and First Nations history and communities, working towards reconciliation.

STATEMENT OF COMMITMENT

We endorsed our Statement of Commitment to Closing the Gap, strengthening partnerships with Aboriginal organisations and government to support Aboriginal-led priorities, culturally safe engagement and positive outcomes across Western Adelaide.

PUBLIC ART AND YOUNG VOICES

Students from Ngutu Campus created artworks celebrating identity, belonging and community connection. The artworks were transformed into public Story Poles at Ngutungka West Lakes, creating a lasting showcase of student learning, stories and creativity for our community.

DEVELOPING TOMORROW'S LEADERS

Ngutu College students demonstrated leadership and innovation during a Mock Model United Nations, exploring Indigenous language revitalisation and global challenges while building confidence, collaboration and future civic leadership skills.





RESPONSIBLE GOVERNANCE

RESPONSIBLE GOVERNANCE

KEY MEASURE	DATA COLLECTED	2025/26
Asset Renewal Funding Ratio	Asset Renewal Funding Ratio	**94%**
Operating Surplus	Actual	**$5.802m**
	Budget	**$2.200m**
Operating Surplus Ratio	Actual	**3.3%**
	Budget	**1.3%**
Interest Cover Ratio	Actual	**0.53%**
Net Financial Liabilities Ratio	Net Financial Liabilities Ratio	**27%**
Proportion of organisational initiatives delivered on time and within budget	Projects complete	**56**
Number of Risks Outside of Tolerance (OOT)	Strategic Risk Register	**10 risks, 2 OOT**
	Organisation Risk Register	**48 Risks, 16 OOT**
Number of Freedom of Information Requests received and processed	FOI Requests	**35**
I value the services Council provides	Community Survey	**7.60 / 10**
Council is reliable and accountable	Community Survey	**6.27 / 10**

OUR OUTCOMES

We will manage our City in a sustainable and affordable way with responsible governance.





EXCELLENCE IN CUSTOMER EXPERIENCE & SERVICE PROVISION

EXCELLENCE IN CUSTOMER EXPERIENCE & SERVICE PROVISION

KEY MEASURE	DATA COLLECTED	2025/26
Employee Engagement	Employee Engagement Score	**3.95 / 5**
Lost Time Injury Frequency Rate	Lost Time Injury Frequency Rate	**10.7**
Compliments and complaints received	Compliments	**910**
	Complaints	**1,867**
	Complaints Addressed	**1,673**
Grade of service	Grade of Service	**58%**
Net Promoter Score	Net Promoter Score	**35.6**
Number and percentage of customer service requests closed within target resolution timeframes	Service Requests	**43,966**
	Resolved Within Timeframe	**76.5%**
I am satisfied with the services and programs Council provided	Community Survey	**3.63 / 5**
Council provides good value for my rate dollar	Community Survey	**6.12 / 10**
Council meets expectations in terms of delivering to the community	Community Survey	**56.4%**

OUR OUTCOMES

We will foster an organisational culture focused on continuous improvement and delivering excellent customer experience and service provision.

KEY CUSTOMER SERVICE METRICS

74,494
Phone calls received

88,597
Email requests

6,501
Portal service requests

7,541
In-person transactions

58,010
Social media engagements

600,319
Unique website users



SAVINGS & PRODUCTIVITY

Creating more value from every dollar, every hour and every asset.

We strengthened how we identify, validate and report savings and productivity in response to ESCOSA. Better value is not only about lower costs; it also means improving services where community need is clear, releasing staff capacity, extending asset life and reducing risk.

$2.2M+
Cost Avoidance, Value & Financial Savings

We identified savings and minimised costs through competition, negotiation, smarter delivery, renewable energy, technology licensing and organisational design, with a focus on long-term value.

Strategic Procurement: More than $1.2m quantified across competitive procurement, smarter delivery, negotiation and value-added contracts.

Renewable Energy Supply: Approximately $400k per annum ongoing saving from our renewable electricity contract with more expected as battery storage expands.

Enterprise Technology Licensing: Approximately $390k lower total cost through September 2029 compared with the status quo, while expanding AI, identity governance and secure-access capability.

Cloud Optimisation: AWS reserved capacity delivered approximately $29k per annum and around 28% lower pricing than standard on-demand consumption.

Organisational Design: Corporate Services roles and responsibilities review delivered an $85k ongoing saving; Development Services delivered a $133k salary saving as a co-benefit of the review.

$7.8M+
Grant and External Funding

We secured external funding to extend the value of our investment and support projects across water security, community facilities, resilience and other targeted initiatives.

Waterproofing the West: $2.018m received in 2025/26 as part of a $4.65m Federal commitment for water security, efficiency and infrastructure improvements.

Grange Recreation Reserve: Approximately $2.8m of State funding was applied to the completed redevelopment.

West Lakes Shore Clubroom: $3.0m State-funded refurbishment completed, supporting community and sporting infrastructure.

Smaller external contributions: Climate Risk Tolerance and Resilient Investment Framework funding ($26k) and Jobs Expo sponsorship ($19k).

5,300+ HOURS
Capacity Hours Released

We improved productivity by reducing manual effort through changes to our processes, systems and workforce, releasing more than 5,300 annual hours for higher-value work.

Development Services Review: 1 FTE equivalent ≈ 1,850 hours, with a stronger leadership model across planning, building, compliance and administration.

Digital Time & Device: 1 FTE equivalent ≈ 1,850 hours. Paper timesheets, overtime and allowance forms retired. More than 140 field staff received devices and training.

AI-enabled EA support: 0.4 FTE equivalent ≈ 740 hours. Recurrent capacity was permanently redeployed to strengthen Procurement delivery.

CRM Customer Portal: 6,396 online requests × 5 minutes avoided manual entry = approximately 533 hours.

Community Safety CRM: 2,000 after-hours cases streamlined × 10 minutes = approximately 333 hours.

76.5% ON-TIME
Continuous Improvement in Action

Our improvement framework captures more than budget savings, including better customer and staff experience, service quality, risk reduction, digital self-service, governance and capability.

Digital self-service: The 24/7 Customer Portal and Rates Portal expanded self-service; more than 7,000 rates notices were downloaded in 12 months, reducing avoidable phone and email requests.

Additional verge mow: Delivered a sixth verge mow using existing resources to improve neighbourhood presentation without increasing the operating budget.

Service review program: Development Services, Community Engagement, Immunisation and Environmental Health were reviewed; Waste Collection, Financial Services and Community Safety also entered the review pipeline.

HRIS optimisation: The preferred HRIS model automates manual processes and reinvests efficiencies into workforce planning, performance and development.

Multi-council AI partnership: We established a collaborative AI partnership, completing EOI selection, due diligence and commercial/IP principles to explore future efficiencies and broader sector value.

BUDGET & FINANCIALS

In 2025/26 all key financial ratios for financial sustainability were within benchmarks.

Sustaining a moderate operating surplus is important to maintaining our community assets and ensuring ratepayers are paying for the services and assets they consume.

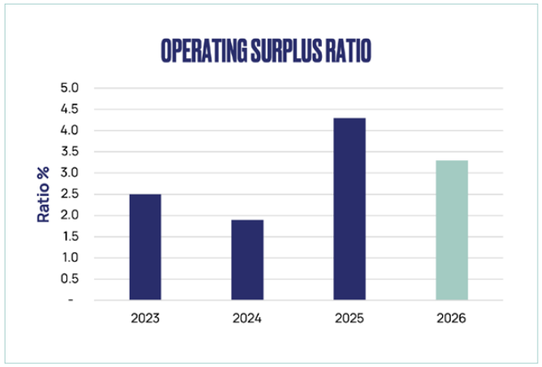
Key Income and Expenditure	2022/23 $'000	2023/24 $'000	2024/25 $'000	2025/26 $'000
Rates Income	**119,327**	**129,829**	**139,187**	**148,296**
Total grants (includes grants for new/upgraded assets)	19,270	9,849	23,167	19,592
Statutory charges	4,851	5,865	6,812	7,046
Other income	8,102	8,811	9,028	9,299
Gain on disposal of assets	(5,512)	(11,935)	(6,360)	(5,856)
Physical resources received free of charge	2,440	12,645	10,332	1,681
Other Comprehensive Income (includes changes in revaluation, surplus and impairment expense)	207,053	1,128,360	391,469	186,775
Income Sub Total	**355,531**	**1,283,424**	**573,501**	**366,834**
Loss Equity Accounted Council Businesses	490	1,872	1,745	1,608
Employee costs	51,271	53,423	60,227	62,415
Depreciation	34,112	35,035	41,406	43,678
Finance costs	1,513	2,068	1,878	1,506
Materials, Contracts, Other expenses	54,278	57,640	59,057	62,813
Expenditure Sub Total	**141,664**	**150,038**	**164,313**	**172,020**
Operating Surplus (excludes profit on disposal, physical resources received free of charge and grants for new/upgraded assets)	3,598	2,900	7,401	5,802
Net Surplus (excludes other comprehensive income)	6,814	5,026	17,719	8,039
Total Comprehensive Income (Income less Expenditure Subtotal – includes other comprehensive income)	**213,867**	**1,133,386**	**409,188**	**194,814**

Table 17: Key Income and Expenditure during 2025/26, compared with the previous three years.

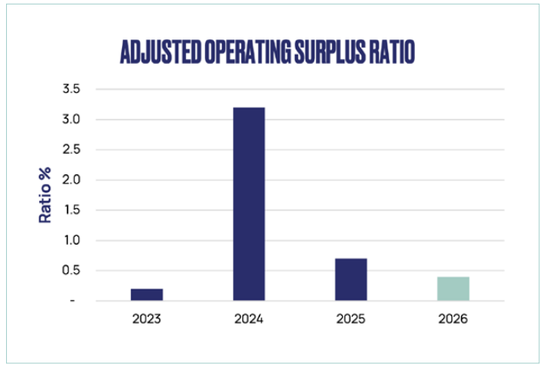
Key Sustainability Ratios	2022/23 $'000	2023/24 $'000	2024/25 $'000	2025/26 $'000
Operating Surplus Ratio (target >0% and <10%)	2.5%	1.9%	4.3%	3.3%
Adjusted Operating surplus ratio (excluding prepaid grants)	0.2%	3.2%	0.7%	0.4%
Net Financial Liabilities Ratio (target <100%)	44%	45%	29%	27%
Asset Renewal Funding Ratio (target >80%)	117%	133%	86%	94%

Table 18: Key Sustainability Ratios during 2025/26, compared with the previous three years.

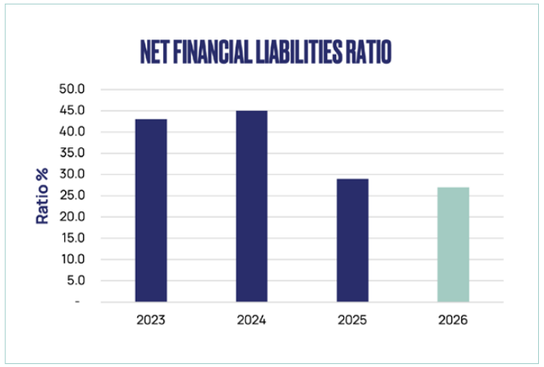
BUDGET & FINANCIALS



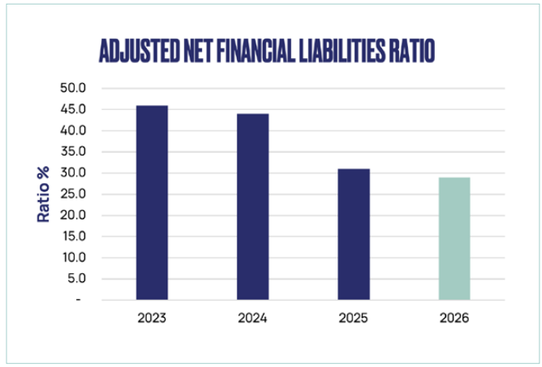
Graph 1: Operating Surplus Ratio compared with the three previous years.



Graph 2: Adjusted Operating Surplus Ratio compared with the three previous years.



Graph 3: Net Financial Liabilities Ratio compared with the three previous years.



Graph 4: Adjusted Net Financial Liabilities Ratio compared with the three previous years.

Operating Surplus Ratio

Purpose: This indicator measures the extent to which operating revenue exceeds or falls short of operating expenditure, expressed as a percentage of operating revenue.

2025/26 ratio 3.3% commentary:
Council's Long Term Financial Plan (LTFP) objective is to generate a sustainable Operating Surplus Ratio of between 0% and 10% to ensure financial sustainability. A positive ratio demonstrates enough revenue has been raised to fund the operational expenses and contribute to paying off debt. The result of 3.3% is well within the target range which indicates strong underlying financial performance and sustainability.

Adjusted Operating Surplus Ratio

Purpose: This indicator is to determine the percentage the operating revenue, including adjustments for timing variances i.e. grants received in advance, and how this varies from operating expenditure.

2025/26 ratio 0.4% commentary:

This indicator measures the extent to which adjusted operating revenue exceeds or falls short of operating expenditure, expressed as a percentage of adjusted operating revenue. Adjustments are made for the timing of Financial Assistance Grant payments.

Net Financial Liabilities Ratio

Purpose: This indicator measures Council's net financial liabilities relative to operating revenue and indicates its capacity to meet its financial obligations.

2025/26 ratio 27% commentary:

Council has adopted a Net Financial Liabilities Ratio target range of 0% to 100%. The 2025/26 result of 27% is well within this range, indicating that Council's net financial liabilities remain at a sustainable level relative to operating revenue.

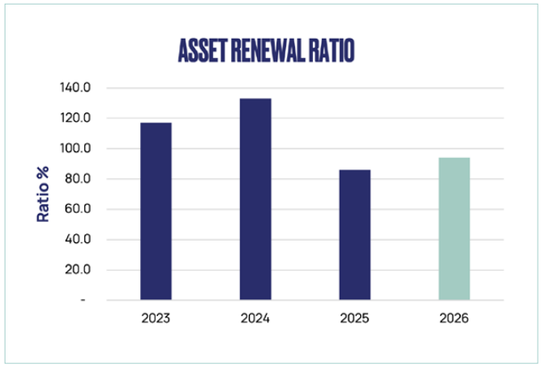
Adjusted Net Financial Liabilities Ratio

Purpose: This indicator measures adjusted net financial liabilities as a percentage of adjusted operating revenue, after adjusting for the timing of Financial Assistance Grant payments and the impact of lease liabilities.

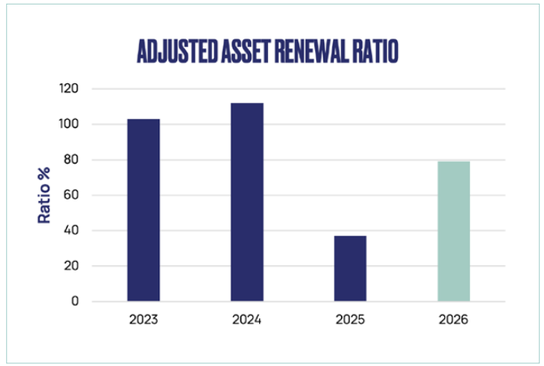
2025/26 ratio 29% commentary:

The Adjusted Net Financial Liabilities Ratio reflects adjustments for the timing of Financial Assistance Grant payments and the impact of lease liabilities. The 2025/26 result of 29% is well within Council's target range of 0% to 100%, indicating that adjusted net financial liabilities remain at a sustainable level relative to operating revenue.

BUDGET & FINANCIALS



Graph 5: Asset Renewal Ratio compared with the three previous years.



Graph 6: Adjusted Asset Renewal Ratio compared with the three previous years.

Asset Renewal Funding Ratio

Purpose: This indicator aims to determine if assets are being renewed and replaced in an optimal way, measured using the value of cash outflows as reported in the General Purpose Financial Statements. The target is >80%.

2025/26 ratio 94% commentary:

The Asset Management Plans (AMPs) and Long-Term Financial Plan (LTFP) provide for 100% asset renewal funding over the 10-year planning period. While the ratio can fluctuate annually due to the timing of capital renewal projects, the 2025/26 result of 94% remains above Council's target of 80%. The result reflects delays to heavy fleet replacement and several civil construction projects due to supply chain constraints, scope and design changes, and other external factors.

Adjusted Asset Renewal Funding Ratio

Purpose: This indicator measures Council's expenditure on renewing and replacing existing assets against the renewal expenditure identified as required in its Infrastructure and Asset Management Plans. The adjusted ratio reflects the value of asset renewals capitalised during the year rather than cash expenditure. The target is greater than 80%.

2025/26 ratio 79% commentary:

This supplementary disclosure provides additional insight where timing differences occur between the completion of renewal works (and capitalisation of assets) and the associated cash outflows.

ESCOSA REPORT

In 2024/25 Council was part of the Tranche 3 ESCOSA review, with the full report available as *Appendix 4*.

The report indicates Council's previous and current financial performance is sustainable with the projected financial performance as mostly sustainable. This was due to Council's Water Infrastructure Asset Management Plan being out for consultation at the time the ESCOSA review was undertaken, which has since been completed.

The ESCOSA report identified seven recommendations, with six of the recommendations reflecting existing Council practices. Recommendation three identified the opportunity to improve the disclosure of cost savings targets or productivity improvements to provide evidence of constraining cost growth and achieving efficiencies across Council operations and service delivery.

While these practices have been in place for several years, in response to the ESCOSA recommendation, staff have now formalised the process to identify savings and productivity improvements to strengthen performance and outcomes for our community. The results of this framework are shown in this report under the **'Savings & Productivity'** section.

EXPENDITURE

Corporate Credit Cards

As an efficient and effective method to purchase or pay for goods and services, Council operates a Corporate Credit card system which permits an appropriate number of cards to be issued to operational staff throughout the organisation.

The number of cards issued and the expenditure allowance by Council is reviewed regularly to ensure that the number of valid cards is appropriate for operational requirements. Corporate Credit cards are only provided to a limited number of employees within Council who can clearly demonstrate the need for a credit card as governed by a credit card policy, procedure and corporate credit card conditions of use.

In accordance with Schedule 4 of the Local Government Act 1999, for the 2025/26 financial year Council spent $397,393 via corporate credit cards.

Legal

In accordance with Section 131(1a) of the Local Government Act 1999, Council spent $523,610.27 (GST inclusive) on legal expenses during the 2025/26 financial year.

Auditor

In accordance with section 128(9) of the Local Government Act 1999, our external auditor was remunerated $40,700 (GST inclusive) for the annual audit of our financial statements during 2025/26. No other remuneration was paid.

Gifts

In accordance with Regulation 35 (2) of the Local Government (General) Regulations 2013, during the 2025/26 financial year, Council spent $0 on gifts for members and employees of the Council.

Travel

In accordance with Regulation 35(2) of the Local Government (General) Regulations 2013, the following tables summarise interstate and international travel undertaken by Elected Members and employees during 2025/26 and funded in whole or in part by the City.

Elected Member	Purpose of Travel	Total Cost (excl. GST)
Mayor Angela Evans	2026 Australian Local Government Association – National General Assembly	$3,019.11*
	LGA Mayoral Delegation to Canberra – Algal Bloom Advocacy	$961.80
Cr Edgar Agius	2026 ALGA National General Assembly, Canberra	$2,693.19
Cr Alice Campbell	2026 ALGA National General Assembly, Canberra	$2,672.60
Total		**$9,346.70**
***$181.82 (excl. GST) was refunded from this amount.**		

Table 19: Elected Member Interstate & International Travel.

Portfolio	Purpose of Travel	Destination	Cost
Chief Executive Officer	2026 Australian Local Government Association – National General Assembly	Canberra, ACT	$3,102.59
	LG Chief Officers Group	Gold Coast (Coolangatta), QLD	$1,676.85
City Futures	National Economic Development Conference (NEDC25)	Newcastle, NSW	$3,135.00
	UDF Masterclass Series: Incrementalism – Small Things that Matter	Melbourne, VIC	$349.00
	Australian Open LGA & Industry Engagement Forum	Melbourne, VIC	$634.00
Corporate Services	TechOne – 2025 Showcase – Unlocking Possibilities	Sydney, NSW	$1,583.92
	People & Culture Team Day	Canberra, ACT	$1,406.18
Engaged Community	Australian Institute of Animal Management Workshop (2 attendees)	Melbourne, VIC	$1,825.60
	National Aged Care Provider Conference 2025 – Navigating the Change – Rights & Regulation	Melbourne, VIC	$855.94
	Australian Placemaking Summit	Sydney, NSW	$1,745.00
Total			**$16,314.08**

Table 20: Employee Interstate & International Travel.

SUBSIDIARIES

CAWRA – Central Adelaide Waste & Recycling Authority

The Central Adelaide Waste and Recycling Authority (CAWRA) was established by the City of Charles Sturt and the City of Port Adelaide Enfield. Its charter was endorsed in late 2019 and updated in November 2021.

CAWRA's 2025/26 Annual Report forms part of our Annual Report and is included in **Appendix 2.**

National Competition Policy

Under National Competition Policy requirements, we reviewed our activities for 2025/26 and confirmed that:

- We had no significant business activities as defined under the relevant competition principles
- Where we participated in competitive tender processes, appropriate competitive pricing principles were applied
- No competitive neutrality complaints were received during 2025/26.

PURCHASING & TENDERING

We procure goods, services and construction works in line with our Procurement Policy, with a focus on value for money, cost-effective service delivery, fair and transparent processes and positive outcomes for our community.

Our procurement decisions consider factors including price, quality, risk, whole-of-life costs, sustainability and community benefit. Where appropriate, we also consider opportunities for local and regional businesses, Aboriginal and Torres Strait Islander-owned businesses, social enterprises, apprentices, trainees and people experiencing barriers to employment.

Where permitted by law and other relevant commercial factors are equal, local market participation may be considered favourably.

During 2025/26, we called 16 open public tenders and used other competitive and collaborative procurement methods appropriate to the value, risk and complexity of each purchase.

ACCOUNTABILITY

Section 270 Local Government Act 1999

Feedback from our community helps us understand what is working well and where we can improve. We record and manage complaints, compliments, feedback and review requests received across our services.

The table below summarises the feedback and review matters recorded during 2025/26.

Section 270 Local Government Act 1999	Number of Requests
Internal Review of Council Decisions	4
Complaints*	1867
Compliments**	910
Feedback/Suggestion (New and Increase)*	397
***Not required for reporting purposes under Section 270(8) but provided for full disclosure for the purposes of Section 270.**	
****Not required for reporting purposes.**	

Table 21: Feedback & Review Matters in 2025/26.

Internal Review of Council Decisions

Our Internal Review of Council Decisions Policy and Procedure sets out how requests to review Council decisions are assessed. During 2025/26, we received four formal applications for internal review.

The table below summarises each matter and its outcome. Applicants are also advised of their right to contact the Ombudsman.

Subject Matter	Outcome
Review 1: Review of a decision to plant a tree on the verge in front of the applicant's property.	The review found the decision was consistent with relevant policies and procedures. The original decision was reaffirmed.
Review 2: Review of a decision to refuse additional parking exemption permits.	The review identified inconsistencies in the application of relevant policy considerations. A transitional parking permit arrangement was recommended while parking policies and permit processes are reviewed.
Review 3: Review of a decision relating to the implementation of a reserve masterplan.	The application was assessed and found not to relate to a decision made by Council or an employee under the policy. The matters raised by the applicant were addressed outside the internal review process.
Review 4: Review of a decision not to install yellow No Stopping line marking in front of the applicant's property.	The review found the decision was consistent with relevant policies and procedures. The original decision was reaffirmed.

Table 22: Internal Review Applications — Subject Matter &

ACCOUNTABILITY

Compliments & Complaints

During 2025/26, we received 910 compliments recognising the quality of our services, our employees and the work of our contractors. We received 1,867 complaints across our services.

Waste services were a key area of feedback during the year, including concerns about missed bin collections and service delivery. We continued to work with CAWRA and our waste contractor to monitor performance and improve service delivery.

Type	Compliment	Complaints
Service	477	232
Employees	408	64
Contractors	25	1571
Total	**910**	**1,867**

Table 23: Compliments & Complaints Received.

New or Increased Service Requests

We received 397 feedback and suggestion requests for new or increased services (this does not include change). More than half related to general community and public realm improvements, including community safety, signage, maintenance of reserves and public assets, streetscape improvements and customer service.

Other common requests related to park infrastructure, new services, waste and recycling, verge maintenance, digital services and building improvements.

Type of Request	Number	%
General Community and Public Realm	250	63
Park Infrastructure Upgrades	59	15
New Services	39	10
Waste and Recycling Services	18	5
Verge Maintenance	13	3
Website and Digital Services	11	3
Building Upgrades and Improvements	7	2

Table 24: New or Increase Service Requests.

ELECTED MEMBER BEHAVIOUR

Elected Member Behavioural Management Policy

Elected Members are required to meet the integrity and behaviour requirements of the Local Government Act 1999 and our Elected Member Behavioural Management Policy. These requirements support accountable decision-making and set expectations for how Elected Members carry out their roles.

In 2025/26, we received 10 complaints relating to Elected Member behaviour. There were no contraventions of the member behaviour provisions of the Act. The total cost of managing these complaints was $31,245.64.

Table 25 provides a breakdown of how these complaints were managed.

Contravention of Health & Safety Duties

Elected Members must take reasonable care to ensure they do not adversely affect the health and safety of other members of Council or employees of Council.

During 2025/26, there were no contraventions of this duty. No costs were incurred in relation to complaints alleging a contravention of this duty or referrals to the Behavioural Standards Panel.

Complaint Management	2025/26
Total number of complaints received	10
Total number of complaints that received an Initial Assessment	9
Total number of complaints that did not progress following Initial Assessment to Formal Investigation	7
Total number of complaints that had Informal Action	1
Total number of complaints that had Formal Investigation	0
Total number of complaints resolved through Agreed Actions following Formal Investigation	0
Total number of complaints received by Council for determination	0
Total number of complaints referred to another agency	2
Total cost of the management of all complaints received	**$31,245.64**

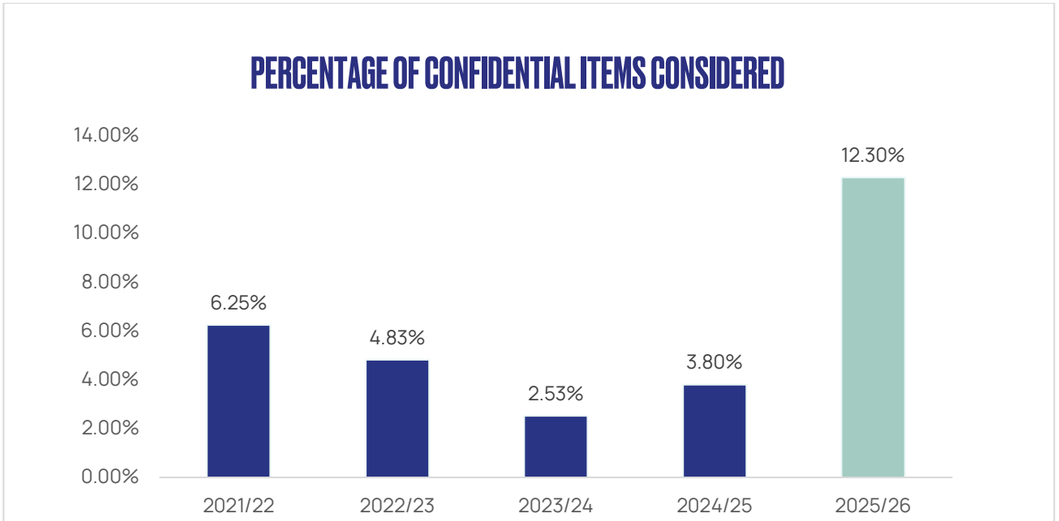
Table 25: Elected Member Behaviour Complaint Management.

CONFIDENTIALITY

Confidential Provisions

Council and Committee meetings are generally conducted in a public environment; however, there are some circumstances where it may be necessary or appropriate for specific items from a meeting to be considered in confidence. Section 90 of the Local Government Act 1999 and regulation 13 of the Planning, Development and Infrastructure (General) Regulations 2017, set out the specific circumstances where this may occur.

Of the 415 items considered in 2025/26, 51 (12.3%) were treated as confidential items under section 90 of the Local Government Act 1999 and regulation 13 of the Planning, Development and Infrastructure (General) Regulations 2017. This compares with 344 items considered in 2024/25 of which 13 (3.8%) were treated under the confidential provisions in the previous year.



Graph 7: Percentage of Confidential Items Considered.

The following table shows the number of occasions each of the confidential provisions of the Act were used during 2025/26, categorised by the section of the Act relied upon.

Section of the Local Government Act 1999	Number of Occasions used
Section 90(3)(a) … unreasonable disclosure of information concerning the personal affairs of any person (living or dead)	4
Section 90(3)(b) … prejudice the commercial position of Council or be contrary to the public interest	26
Section 90(3)(c) … would reveal a trade secret	-
Section 90(3)(d) commercial information …prejudice the commercial position … or a commercial advantage on a third party and be contrary to the public interest	17
Section 90(3)(e) matters affecting the security of the council, members or employees of the council, or council property, or the safety of any person	1
Section 90(3)(f) … prejudice the maintenance of the law prevention, detection or investigation of criminal offence, or right to a fair trial	-
Section 90(3)(g) … not breach any law	6
Section 90(3)(h) legal advice	1
Section 90(3)(i) information relating to actual litigation, or litigation that the council or council committee believe on reasonable grounds will take place …	1
Section 90(3)(j) …divulge information provided on a confidential basis by or to a Minister of the Crown, or public authority … be contrary to the public interest	-
Section 90(3)(k) tenders for the supply of goods, the provision of services or the carrying out of works	5
Section 90(3)(m) information relating to a proposal to prepare or amend a designated instrument under Part 5 Division 2 of the Planning, Development and Infrastructure Act 2016 before the draft instrument or amendment is released for public consultation under that Act	3
Section 90(3)(n) information relevant to the review of a determination of council under the Freedom of Information Act 1991	-
Section 90(3)(o) information relating to a proposed award recipient before the presentation of the award.	-
Section of the Planning, Development and Infrastructure (General) Regulations 2017	
Regulation 13(2)(a)(viii) – legal advice	2
Regulation 13(2)(a)(ix) – information relating to actual litigation, or litigation that the assessment panel believes on reasonable grounds will take place	2
Total Confidential Items	51
Total Confidential Orders made under Section 90(2)	49

Table 26: Use of Confidentiality Provision.

Confidential Items

A high-level summary of confidential orders for 2025/26 is provided below:

Confidential Orders	Number
Total orders made under Section 91(7) in 2025/26	49
Total orders that expired, ceased to apply, revoked or partially released during 2025/26 (Including orders remaining in confidence from previous financial years)	27
Total orders remaining operative as at 30 June 2026	53

Table 27: Confidential Orders Summary.

The table below is an extract of Council's Register of Confidential Items for all documents covered by confidentiality orders during 2025/26 (pursuant to section 91 of the Local Government Act 1999 and regulation 13 of the Planning, Development and Infrastructure (General) Regulations 2017), with their status as at 30 June 2026.

Council/ Committee	Date	Item No.	Report Title	Reason/Section No.	Confidentiality Order Duration	Status at 30 June 2026
Council	24/05/2021	11.01	Proposal for Sale - Portion of 111A Woodville Road, St Clair	90(3)(b)(i)(ii)	It is recommended that the report, appendices and the minutes of this item be kept confidential until all conveyancing transactions to transfer ownership have been finalised and new ownership title issued.	Remains in Confidence
Council	12/07/2021	11.03	Legal Action - Pre-Action Response	90(3)(i)	It is recommended that the report and the minutes of this item be kept confidential until the conclusion of any legal action.	Remains in Confidence
Audit **Council**	20/07/2021 26/07/2021	9.02 12-9.02	Legal Action - Pre-Action Response	90(3)(i)	It is recommended that the report and the minutes of this item be kept confidential until the conclusion of any legal action.	Remains in Confidence
Council	23/08/2021	11.05	Proposal for Sale - Portion of 111A Woodville Road St Clair	90(3)(b)(i)(ii)	It is recommended that the report, appendices and minutes be kept confidential until all conveyancing transactions to transfer ownership have been finalised and new ownership title issued.	Remains in Confidence
Council	27/09/2021	11.07	Valuation of 67-85 Woodville Road	90(3)(b)(i)(ii)	It is recommended that the report, minutes and appendices be kept confidential until such time as the property is settled following sale.	Remains in Confidence
Council **Audit** **Council**	25/10/2021 26/10/2021 8/11/2021	11.09 9.04 12-9.04	Legal Action Related to Third Party Advice in Regards to Local Government Joint Electricity Contract	90(3)(h) 90(3)(i)	It is recommended that the report, appendices and the minutes of this item be kept confidential until the dispute is resolved and appeal rights exhausted.	Remains in Confidence
Council	28/02/2022	11.01	Progressing the Possible Sale of 67-85 Woodville Road - Expression of Interest Update	90(3)(b)(i)(ii)	It is recommended that the report, minutes and appendices be kept confidential until such time as the property is settled following sale.	Remains in Confidence
Council	14/06/2022	11.05	CAWRA - Draft Annual Budget 2022/23	90(3)(d)(i)(ii)	It is recommended that the report and appendices of this item be kept confidential until June 2027 at the request of the CAWRA Board as it contains commercially sensitive information relevant to current and future contractual negotiations.	Remains in Confidence
Council	11/07/2022	11.07	Central Adelaide Waste and Recycling Authority Update Report	90(3)(b)(i)(ii) 90(3)(d)(i)(ii)	It is recommended that the report and minutes of this item be held in confidence for 5 years.	Remains in Confidence
Council	22/08/2022	11.13	Legal Action Related to Third Party Advice in Regards to Local Government Joint Electricity Contract	90(3)(h) 90(3)(i)	It is recommended that the report, appendices and minutes of this item be kept confidential until the dispute is resolved and appeal rights exhausted.	Remains in Confidence
Council	22/05/2023	11.03	CAWRA - Draft Annual Budget 2023/24	90(3)(b)(i)(ii) 90(3)(d)(i)(ii)	It is recommended that the report, appendix and minutes be kept confidential for a period of five (5) years.	Remains in Confidence
Audit	29/05/2023	9.01	Internal Audit Report - Cyber Security	90(3)(e)	It is recommended that the appendix of this item be kept confidential until all internal audit findings have been addressed in line with the agreed management actions contained within the report. Confidential Order Amendment (CL 22/01/24, Item 6.04): That the appendix of this item be kept confidential until May 2025. Confidential Order Amendment (CL 22/07/24, Item 6.65): That the appendix of this item be kept confidential until May 2026. Confidential Order Amendment (CL 11/05/26, Item 6.6): That the	Remains in Confidence

Council/ Committee	Date	Item No.	Report Title	Reason/Section No.	Confidentiality Order Duration	Status at 30 June 2026
					appendix of this item be kept confidential until May 2030.	
Council	14/08/2023	11.05	CAWRA 3 Year Business Plan & Long Term Financial Plan	90(3)(b)(i) and (ii)	It is recommended that the report, appendix and the minutes of this item be kept confidential for a period of 3 years.	Remains in Confidence
Council	9/10/2023	11.07	Legal Action Related to Third Party Advice in Regards to Local Government Joint Electricity Contract	90(3)(h) 90(3)(i)	It is recommended that the report, appendices and the minutes of this item be kept confidential until the dispute is resolved and appeal rights exhausted.	Remains in Confidence
Council	27/05/2024	11.03	CAWRA - Draft Annual Budget 2024/25	90(3)(b)(i) and (ii) 90(3)(d)(i)(ii)	It is recommended that that the report, appendices and minutes be kept confidential for a period of three (3) years.	Remains in Confidence
Council	24/06/2024	11.04	Power Purchase Agreement (PPA) Tender Update	90(3)(b)(i) and (ii) 90(3)(d)(i)(ii)	It is recommended that the report, appendices and the minutes of this item be kept confidential for 3 years, with the exception of recommendation 3 to allow for the amendment to the scope of (PBB-00001978) in the Annual Business Plan and Budget.	Remains in Confidence
Council	14/10/2024	11.07	Coast Park - Stage 2 Funding Request - Terminus Street, Grange to Bournemouth Street, Tennyson	90(3)(d)(i)(ii)	It is recommended that the report, appendices and minutes of this item be kept confidential until the procurement process has concluded and the contract has been signed and executed.	Remains in Confidence
Council	14/10/2024	11.08	CAWRA - Quarterly Report 2023/24	90(3)(b)(i) and (ii) 90(3)(d)(i)(ii)	It is recommended that the report, Appendix 1 and minutes of this item be kept confidential for a period of three (3) years.	Remains in Confidence
Council	14/04/2025	11.02	CAWRA - Revised LTFP and Financing Report	90(3)(d)(i)(ii)	It is recommended that the report, appendices and the minutes of this item be kept confidential for a period of five (5) years.	Remains in Confidence
Council	14/07/2025	11.1	CAWRA Draft Annual Budget 2025/26	90(3)(b)(i) and (ii) 90(3)(d)(i)(ii)	It is recommended that the report, appendices and minutes be kept confidential for a period of three (3) years.	Remains in Confidence
Council	25/08/2025	11.1	Beverley Depot Rebuild Update	90(3)(b)(i) and (ii) 90(3)(d)(i)(ii)	It is recommended that Appendix 3 and 4 of this item be kept confidential until any subsequent land sale associated with the construction of a new Depot is completed.	Report, Appendix 1, Appendix 2 and Minutes released immediately as they were not retained in confidence. Appendices 3 and 4 remain in confidence
Council	8/09/2025	11.1	Update - Legal Action Related to Third Party Advice - Joint Electricity Contract	90(3)(h) 90(3)(i)	It is recommended that the report, appendix and the minutes of this item be kept confidential until the dispute is resolved and appeal rights exhausted.	Remains in Confidence
Strategic and Engagement Committee **Council**	15/09/2025 22/09/2025	9.1 12.1	Urban and Regional Planning Services (URPS) Presentation on Potential Future Development	90(3)(d)(i) 90(3)(m)	It is recommended that the report and the minutes of this item be kept confidential until the Minister for Planning approves the initiation of a Code Amendment.	Remains in Confidence
Operations Committee **Council**	15/09/2025 22/09/2025	9.1 12.2	New Hardwaste Collection Model	90(3)(d)(i) and (ii)	It is recommended that the report and minutes of this item be kept confidential for a period of 12 months or until a contract has been executed, whichever occurs first.	Remains in Confidence
Council	27/10/2025	11.1	Strategic Property Acquisition Proposal	90(3)(b)(i) and (ii)	It is recommended that the report, appendices and the minutes of this item be kept confidential until such time as the sale of the property is settled or that Council has been unsuccessful in the acquisition.	Remains in Confidence
Council	10/11/2025	11.1	Unsolicited Proposal - Council Decision to Proceed	90(3)(b)(i) and (ii)	It is recommended that any reference to a financial disclosure that may prejudice Council's future commercial position within the report, appendices and/or the minutes be redacted and be kept confidential until all conveyancing transactions to transfer ownership have been finalised and new ownership title issued, or until the proposal is ultimately unsuccessful.	Report, Appendix and Minutes released with the exception of any reference to a financial disclosure that may prejudice Council's future commercial position which will be

Council/ Committee	Date	Item No.	Report Title	Reason/Section No.	Confidentiality Order Duration	Status at 30 June 2026
						released as per the trigger event.
Council	8/12/2025	11.2	Weekly FOGO Trial Update	90(3)(d)(i) and (ii)	It is recommended that the appendices and the table under financial and resource implications section of the report of this item be kept confidential until the current Cleanaway contract expires or is terminated.	Remains in Confidence
Council	27/01/2026	11.1	CAWRA Quarter 1 Financial Report 2025/26	90(3)(b)(i) and (ii) and 90(3)(d)(i) and (ii)	It is recommended that the Appendix be kept confidential for a period of three (3) years.	Remains in Confidence
Council	27/01/2026	11.2	Commercial Renewables Program - VPP Revenue Share Agreement	90(3)(b)(i) and (ii) and 90(3)(d)(i) and (ii)	It is recommended that the report and the minutes of this item be kept confidential until the expiration of the contract.	Remains in Confidence
Special Audit and Risk Committee	2/02/2026	9.2	Section 48 Prudential Report - Grange Bowling Club Acquisition	90(3)(b)(i) and (ii) 90(3)(k)	It is recommended that any reference to a financial disclosure currently under confidential order from the 10 November 2025 Council Meeting (CL 10/11/25, Item 11.1) that may prejudice Council's future commercial position and contained within the report, appendices and/or the minutes of this item be redacted and be kept confidential until all conveyancing transactions to transfer ownership have been finalised and new ownership title issued, or until the proposal is ultimately unsuccessful.	Remains in Confidence
Council	9/02/2026	11.1	Grange Bowling Club - Unsolicited Proposal and Prudential Report	90(3)(b)(i) and (ii) 90(3)(g)	It is recommended that any reference to a financial disclosure currently under confidential order from the 10 November 2025 Council Meeting (CL 10/11/25, Item 11.1) that may prejudice Council's future commercial position and contained within the report, appendices and/or the minutes of this item be redacted and be kept confidential until all conveyancing transactions to transfer ownership have been finalised and new ownership title issued, or until the proposal is ultimately unsuccessful.	Remains in Confidence
Council	9/02/2026	11.2	Strategic Property Acquisition Proposal	90(3)(b)(i) and (ii)	It is recommended that the report, appendices and the minutes of this item be kept confidential until such time as the sale of the property is settled or that Council has been unsuccessful in the acquisition.	Remains in Confidence
Strategic and Engagement Committee	16/02/2026	9.1	Presentation: Social Infrastructure & Land Acquisition Opportunities: Bowden & Brompton	90(3)(b)(i) and (ii)	It is recommended that the report and the minutes relating to this item be kept confidential until such time as the relevant land-related matters have progressed to a stage where disclosure would no longer prejudice the commercial position of the Council, or for a period of 3 years whichever is the earlier.	Remains in Confidence
Council	23/02/2026	11.2	Strategic Property Acquisition Update	90(3)(b)(i) and (ii)	It is recommended that the CEO has been delegated to authority the release sections of the report, appendix and minutes as negotiations are finalised, property contracts are executed and finalised or as determined by the CEO.	Appendix 1 released 27/03/2026. Minute Resolutions 7-13 released 1/04/2026. Report and Minute Resolutions 1-5 remain in confidence
Council	23/02/2026	12.1	Strategic & Engagement Committee - Item 9.1 - Presentation: Social Infrastructure & Land Acquisition Opportunities: Bowden & Brompton	90(3)(b)(i) and (ii)	It is recommended that the minutes of this item be kept confidential until the release trigger for ITEM 9.1 - PRESENTATION: SOCIAL INFRASTRUCTURE & LAND ACQUISITION OPPORTUNITIES: BOWDEN & BROMPTON has been met.	Remains in Confidence
Strategic and Engagement Committee	16/03/2026	9.1	Presentation: Tender Status Update	90(3)(k)	It is recommended that the report and the minutes relating to this item be kept confidential until such time that the tender process has been finalised and a contract has been executed.	Remains in Confidence
Council	23/03/2026	12.1	Strategic and Engagement Committee - Item 9.1 Presentation: Tender Status Update	90(3)(k)	It is recommended that the report and the minutes relating to this item be kept confidential until such time that the tender process has been finalised and a contract has been executed.	Remains in Confidence
Council	27/04/2026	11.1	Major Event Consideration	90(3)(d)(i) and (ii)	It is recommended that the report, appendices and the minutes of this item be kept confidential until an announcement has been made.	Remains in Confidence

Council/ Committee	Date	Item No.	Report Title	Reason/Section No.	Confidentiality Order Duration	Status at 30 June 2026
Strategic and Engagement Committee	18/05/2026	9.1	Presentation - Potential Acquisition and Activation of Local Heritage Building in Kilkenny	90(3)(d)(i) and (ii)	It is recommended that the report and minutes of this item be kept confidential until such time as the acquisition process is successful and completed or until the acquisition process is deemed unsuccessful, and a final Council decision has been made.	Remains in Confidence
Strategic and Engagement Committee	18/05/2026	9.2	Padel Group SA - Unsolicited Proposal	90(3)(d)(i) and (ii)	It is recommended that the report, appendices and the minutes of this item be kept confidential until the Council executes a lease, licence or other agreement relating to the proposal or Council formally determines not to proceed with the proposal.	Remains in Confidence
Strategic and Engagement Committee	18/05/2026	9.3	Henley Beach Precinct - Council Owned Properties	90(3)(b)(i) and (ii)	It is recommended that the appendices 2 and 3 of this item be kept confidential until a decision has been made relative to each EOI process.	Report released immediately on 19/05/2026. Appendix 1 was already public.
Strategic and Engagement Committee	18/05/2026	9.4	West Lakes Strategic Infill Code Amendment - Notification of Initiation Proposal	90(3)(m)	It is recommended that the report, appendices and the minutes of this item be kept confidential until publication of a decision on the Plan SA website.	Remains in Confidence
Council	25/05/2026	11.1	Chief Executive Officer - Presentation for Performance Review 2025/26	90(3)(a)	It is recommended that the report, appendix and minutes be kept confidential until after the final review report is brought back to Council at the meeting of Monday, 24 August 2026.	Remains in Confidence
Council	25/05/2026	11.2	Bin Waste Collection Service Resilience and Future Planning	90(3)(b)(i) and (ii)	It is recommended that the report, appendices and the minutes of this item be kept confidential until a new residential waste contract or service model is established and in operation.	Remains in Confidence
Council	25/05/2026	12.1	Strategic and Engagement Committee - Item 9.1 Presentation - Potential Acquisition and Activation of Local Heritage Building in Kilkenny	90(3)(d)(i) and (ii)	It is recommended that the minutes of this item be kept confidential until the release trigger for ITEM 9.1 PRESENTATION - POTENTIAL ACQUISITION AND ACTIVATION OF LOCAL HERITAGE BUILDING IN KILKENNY has been met.	Remains in Confidence
Council	25/05/2026	12.2	Strategic and Engagement Committee - Item 9.2 Padel Group SA - Unsolicited Proposal	90(3)(d)(i) and (ii)	It is recommended that the minutes of this item be kept confidential until the release trigger for ITEM 9.2 PADEL GROUP SA - UNSOLICITED PROPOSAL has been met.	Remains in Confidence
Council	25/05/2026	12.4	Strategic and Engagement Committee - Item 9.1 - West Lakes Strategic Infill Code Amendment - Notification of Initiation Proposal	90(3)(m)	It is recommended that the minutes of this item be kept confidential until the release trigger for ITEM 9.4 - WEST LAKES STRATEGIC INFILL CODE AMENDMENT - NOTIFICATION OF INITIATION PROPOSAL has been met.	Remains in Confidence
Council	22/06/2026	11.1	Beverley Depot Rebuild and Beverley Open Space Update	90(3)(b)(i) and (ii) and 90(3)(d)(i) and (ii)	It is recommended that the report and the minutes of this item be kept confidential until all contracts have been executed.	Remains in Confidence

Table 28: Register of Confidential Items.

Freedom of Information (FOI)

There were 35 requests for information from 1 July 2025 to 30 June 2026 made under the Freedom of Information Act. In summary:

Freedom of Information	Number
Number of FOI Applications	35
Number of Internal Review Applications	3

Table 29: Freedom of Information Applications & Internal Reviews.

Of the 35 applications requesting information:

- 6 applications were granted access in full;
- 17 applications were granted access in partial form;
- 1 application was refused;
- 7 applications were cancelled/withdrawn; and
- 5 applications were undetermined as of 30 June 2026 (ongoing).

Outcome figures include one application carried forward from the 2024/25 reporting period that was determined during 2025/26

Of the three Internal Review applications:

- 2 decisions were confirmed; and
- 1 decision was withdrawn.

Enquiries or requests for information under the Act, should be forwarded to:

Freedom of Information

City of Charles Sturt

PO Box 1

WOODVILLE SA 5011

Email: council@charlessturt.sa.gov.au

LIST OF PUBLICLY AVAILABLE DOCUMENTS

Code of Practice

A 'Code of Practice for Public Access to Council and Committee Meetings and Associated Documents' was initially adopted by Council in November 2000 following the required public consultation process, and most recently reaffirmed at its meeting on 10 November 2025.

The principles and practices of the Code have been adhered to since it was adopted and have achieved the desired outcomes via: "The City of Charles Sturt will conduct all formal Council and Council Committee meetings in public and will provide public access to all documents considered at these meetings except where the Council or Committee meeting is clearly satisfied that the need for confidentiality outweighs the principle of open decision making."

The following is a list of the Codes of Conduct or Practice that Council is required to keep under the Local Government Act 1999:

- Council Member Behavioural Management Policy
- Code of Conduct – Employees
- Code of Practice – Public Access to Council and Committee Meetings and to associated documents
- Code of Practice for Meeting Procedures

Council By-Laws

The City of Charles Sturt's By-laws were made by Council on 15 June 2021 and published in the SA Government Gazette on 24 June 2021 and these came into effect on 24 October 2021.

Council's current By-laws are:

- Permits and penalties
- Moveable signs
- Local Government Land
- Roads
- Dogs and Cats
- Domestic Livestock Management

These by-laws expire on 1 January 2029.

Registers & Codes

The following are the registers Council keeps as required under the Local Government Act 1999 and the Local Government (Elections) Act 1999:

1. Assessment Record
2. By-Law Register
3. Delegations Register
4. Fees and Charges Register
5. Register of Allowances and Benefits (Elected Members)
6. Register of Community Land
7. Register of Interests (Elected Members)
8. Register of Gifts and Benefits (Elected Members)
9. Register of Training and Development (Elected Members)
10. Register of Interests (Council officers)
11. Register of Gifts and Benefits (Council officers)
12. Register of Public Roads
13. Register of remuneration, salaries and benefits (Employees)
14. Register of Building Upgrade Agreements

Community Land Management Plans

During 2025/26, as required by Chapter 11 of the Local Government Act 1999, Council amended two Community Land Management Plans for Parfitt Square and Mirani Reserve.

We also commenced preparing a number of draft Community Land Management Plans for newly created open space vested in Council through development. We continue to update our Community Land Register and plan to undertake consultation on the draft Community Land Management Plans during 2026/27.

Local Nuisance & Litter Control Act & Regulations

One of our key responsibilities is to sustain and improve public and environmental health. We aim to achieve this by improving local amenities and the environment, in keeping with the Local Nuisance and Litter Control Act 2016.

Appendix 5 provides a summary of the key functions and deliverables achieved during the 2025/26 reporting period.

APPENDICES

APPENDIX 1:
GENERAL PURPOSE FINANCIAL STATEMENTS – YEAR END 30 JUNE 2026

City of Charles Sturt

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2026

The City of Charles Sturt - A place to call home, a place where we belong

City of Charles Sturt

General Purpose Financial Statements
for the year ended 30 June 2026

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City of Charles Sturt

General Purpose Financial Statements

for the year ended 30 June 2026

Council certificate

Certification of Financial Statements

We have been authorised by the Council to certify the financial statements in their final form.

In our opinion:

- the accompanying financial statements comply with the *Local Government Act 1999, Local Government (Financial Management) Regulations 2026* and Australian Accounting Standards,
- the financial statements present a true and fair view of the Council's financial position at 30 June 2026 and the results of its operations and cash flows for the financial year,
- internal controls implemented by the Council provide a reasonable assurance that the Council's financial records are complete, accurate and reliable and were effective throughout the financial year,
- the financial statements accurately reflect the Council's accounting and other records.

Kristie Johnson
Acting Chief Executive Officer

09 November 2026

Angela Evans
Mayor

09 November 2026

City of Charles Sturt

Statement of Comprehensive Income

for the year ended 30 June 2026

$ '000	Notes	2026	2025
Income			
Rates	4a	148,296	139,187
Statutory charges	4b	7,046	6,812
User charges	4c	5,651	5,232
Grants, subsidies and contributions - operating	4g	12,393	11,468
Grants, subsidies and contributions - capital	4g	787	5,219
Investment income	4d	566	647
Reimbursements	4e	2,913	3,083
Other income	4f	170	66
Total income		177,822	171,714
Expenses			
Employee costs	5a	62,415	60,227
Materials, contracts and other expenses	5b	62,813	59,057
Depreciation, amortisation and impairment	5c	43,678	41,406
Finance costs	5d	1,506	1,878
Net loss - equity accounted council businesses	18	1,608	1,745
Total expenses		172,020	164,313
Operating surplus / (deficit)		5,802	7,401
Physical resources received free of charge	4i	1,681	10,332
Amounts received specifically for new or upgraded assets	4g	6,412	6,480
Asset disposal and fair value adjustments	6	(5,856)	(6,360)
Prior year correction to depreciation and interest charges on Right of Use Assets	16	–	(134)
Net surplus / (deficit)		8,039	17,719
Other comprehensive income			
Amounts which will not be reclassified subsequently to operating result			
Changes in revaluation surplus - I,PP&E	11	186,775	391,167
Share of other comprehensive income - equity accounted council businesses	18	–	302
Total amounts which will not be reclassified subsequently to operating result		186,775	391,469
Total other comprehensive income		186,775	391,469
Total comprehensive income		194,814	409,188

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

City of Charles Sturt

Statement of Financial Position

as at 30 June 2026

$ '000	Notes	2026	2025
ASSETS			
Current assets			
Cash and cash equivalent assets	7a	10,191	3,079
Trade and other receivables	7b	8,614	13,407
Inventories	7c	172	171
Other current assets		5	–
Subtotal		18,982	16,657
Total current assets		18,982	16,657
Non-current assets			
Equity accounted investments in council businesses	8a	1,083	2,690
Other non-current assets	8b	36,240	29,414
Infrastructure, property, plant and equipment	9	3,294,187	3,106,874
Right of use assets	16a	2,792	2,117
Total non-current assets		3,334,302	3,141,095
TOTAL ASSETS		3,353,284	3,157,752
LIABILITIES			
Current liabilities			
Trade and other payables	10a	23,721	27,587
Borrowings	10b	373	1,215
Lease liabilities	16b	678	475
Provisions	10c	10,046	10,523
Total current liabilities		34,818	39,800
Non-current liabilities			
Borrowings	10b	28,328	23,575
Lease liabilities	16b	1,884	1,129
Provisions	10c	2,025	1,833
Total non-current liabilities		32,237	26,537
TOTAL LIABILITIES		67,055	66,337
Net assets		3,286,229	3,091,415
EQUITY			
Accumulated surplus		562,847	554,808
Asset revaluation reserves	11	2,723,382	2,536,607
Total equity		3,286,229	3,091,415

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

City of Charles Sturt

Statement of Changes in Equity

for the year ended 30 June 2026

$ '000	Notes	Accumulated surplus	Asset revaluation reserve	Total equity
2026				
Balance at the end of previous reporting period		554,808	2,536,607	3,091,415
Net surplus / (deficit) for year		8,039	–	8,039
Share of OCI - equity accounted council businesses	18	–	–	–
Gain (Loss) on Revaluation of I,PP&E	9a(i)	–	186,775	186,775
Other comprehensive income		–	186,775	186,775
Total comprehensive income		8,039	186,775	194,814
Balance at the end of period		562,847	2,723,382	3,286,229
2025				
Balance at the end of previous reporting period		536,787	2,145,440	2,682,227
Net surplus / (deficit) for year		17,719	–	17,719
Share of OCI - equity accounted council businesses	18	302	–	302
Gain (Loss) on Revaluation of I,PP&E	9a(i)	–	391,167	391,167
Other comprehensive income		302	391,167	391,469
Total comprehensive income		18,021	391,167	409,188
Balance at the end of period		554,808	2,536,607	3,091,415

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

City of Charles Sturt

Statement of Cash Flows

for the year ended 30 June 2026

$ '000	Notes	2026	2025
Cash flows from operating activities			
Receipts			
Rates receipts		147,846	139,250
Statutory charges		7,046	6,812
User charges		5,651	5,232
Grants, subsidies and contributions		12,243	11,468
Investment receipts		566	647
Reimbursements		2,913	3,083
Other receipts		3,589	198
Payments			
Payments to employees		(61,844)	(59,707)
Payments for materials, contracts and other expenses		(65,368)	(54,924)
Finance payments		(1,506)	(1,878)
Net cash provided by (or used in) operating activities	13b	51,136	50,181
Cash flows from investing activities			
Receipts			
Grants utilised for capital purposes		787	5,219
Amounts received specifically for new or upgraded assets		6,412	1,906
Sale of replaced assets		1,155	1,644
Sale of surplus assets		–	4,500
Distributions received from equity accounted Council businesses		(1)	–
Payments			
Expenditure on renewal/replacement of assets		(35,819)	(30,220)
Expenditure on new/upgraded assets		(19,908)	(21,581)
Net cash provided (or used in) investing activities		(47,374)	(38,532)
Cash flows from financing activities			
Receipts			
Proceeds from borrowings		3,911	–
Proceeds from bonds and deposits		–	332
Proceeds from aged care facility deposits		–	1,029
Payments			
Repayments of borrowings		–	(13,249)
Repayment of lease liabilities		(212)	(622)
Repayment of bonds and deposits		(73)	–
Repayment of aged care facility deposits		(276)	–
Net cash provided by (or used in) financing activities		3,350	(12,510)
Net increase (decrease) in cash held		7,112	(861)
plus: cash & cash equivalents at beginning of period		3,079	3,940
Cash and cash equivalents held at end of period	13a	10,191	3,079
Additional information:			
Total cash, cash equivalents and investments		10,191	3,079

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

City of Charles Sturt

Notes to and forming part of the Financial Statements

for the year ended 30 June 2026

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Note 1. Summary of Material Accounting Policies

The principal accounting policies adopted by Council in the preparation of these consolidated financial statements are set out below.

These policies have been consistently applied to all the years presented, unless otherwise stated.

(1) Basis of preparation

1.1 Compliance with Australian Accounting Standards

This general purpose financial report has been prepared on a going concern basis using the historical cost convention in accordance with Australian Accounting Standards as they apply to not-for-profit entities, other authoritative pronouncements of the Australian Accounting Standards Board, Interpretations and relevant South Australian legislation.

The financial report is to be authorised for issue by certificate on 09 November 2026 under regulation 14 of the *Local Government (Financial Management) Regulations 2026*.

1.2 Critical accounting estimates

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates and requires management to exercise its judgement in applying Council's accounting policies.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are specifically referred to in the relevant sections of these Notes.

1.3 Rounding

All amounts in the financial statements have been rounded to the nearest thousand dollars ($'000).

(2) The local government reporting entity

City of Charles Sturt is incorporated under the South Australian Local Government Act 1999 and has its principal place of business at 72 Woodville Road, Woodville. These financial statements include the Council's direct operations and all entities through which Council controls resources to carry on its functions. In the process of reporting on the Council as a single unit, all transactions and balances between activity areas and controlled entities have been eliminated.

Other entities in which Council has an interest but does not control are reported in Note 18.

Trust monies and property held by Council but subject to the control of other persons have been excluded from these reports. Funds held at 30 June 2026 $278,598 (2025 : $269,427).

(3) Income recognition

The Council recognises revenue under *AASB 1058 Income of Not-for-Profit Entities* (AASB 1058) or *AASB 15 Revenue from Contracts with Customers* (AASB 15) when appropriate.

In cases where there is an 'enforceable' contract with a customer with 'sufficiently specific' performance obligations, the transaction is accounted for under AASB 15 where income is recognised when (or as) the performance obligations are satisfied (i.e. when it transfers control of a product or service to a customer). Revenue is measured based on the consideration to which the Council expects to be entitled in a contract with a customer.

In other cases, AASB 1058 applies when a not-for-profit (NFP) entity enters into transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives. The excess of the asset recognised (at fair value) over any 'related amounts' is recognised as income immediately, except in the case where a financial asset has been received to enable the council to acquire or construct a recognisable non-financial asset that is to be controlled by the council. In this case, the council recognises the excess as a liability that is recognised over time in profit and loss when (or as) the entity satisfies its obligations under the transfer.

In recent years the timing of the payment of untied grants (financial assistance grants / local roads / supplementary grants) has varied from the annual allocation as shown in the table below:

continued on next page ...

Note 1. Summary of Material Accounting Policies (continued)

	Cash Payment Received	Annual Allocation	Difference
2022/23	$5,710,811	$4,203,147	+$1,507,664
2023/24	$847,129	$4,697,813	-$3,850,684
2024/25	$7,543,910	$4,925,279	+$2,618,631
2025/26	$6,926,049	$5,159,693	+$1,766,356

Because these grants are untied, the Australian Accounting Standards require that payments be recognised upon receipt. Accordingly, the operating results of these periods have been distorted compared to those that would have been reported had the grants been paid in the year to which they were allocated.

The Operating Surplus Ratio disclosed in Note 2 has also been calculated after adjusting for the distortions resulting from the differences between the actual grants received and the grants entitlements allocated.

(4) Cash, cash equivalents and other financial instruments

Cash Assets include all amounts readily convertible to cash on hand at Council's option with an insignificant risk of changes in value with a maturity of three months or less from the date of acquisition.

Receivables for rates and annual charges are secured over the subject land, and bear interest at rates determined in accordance with the *Local Government Act 1999*. Other receivables are generally unsecured and do not bear interest.

All receivables are reviewed as at the reporting date and adequate allowance made for amounts the receipt of which is considered doubtful.

All financial instruments are recognised at fair value at the date of recognition, except for trade receivables from a contract with a customer, which are measured at the transaction price. A detailed statement of the accounting policies applied to financial instruments forms part of Note 14.

(5) Inventories

Inventories held in respect of stores have been valued by using the weighted average cost on a continual basis, after adjustment for loss of service potential. Inventories held in respect of business undertakings have been valued at the lower of cost and net realisable value.

5.1 Real estate assets developments

Real Estate Assets developments shall be classified as Inventory in accordance with *AASB 102 Inventories* and are valued at the lower of cost or net realisable value. Cost includes the costs of acquisition, development, borrowing and other costs incurred on financing of that acquisition and up to the time of sale. Any amount by which cost exceeds the net realisable value has been recognised as an expense.

Revenues arising from the sale of property are recognised in the operating statement when settlement is completed. Where property has been compulsorily acquired and the financial year ends prior to a negotiated settlement, the revenue will be recognised by raising a debtor.

5.2 Other real estate held for resale

Properties not acquired for development, but which Council has decided to sell as surplus to requirements, are recognised at the carrying value at the time of that decision.

Certain properties, auctioned for non-payment of rates in accordance with the *Local Government Act 1999* but which failed to meet the reserve set by Council and are available for sale by private treaty, are recorded at the lower of the unpaid rates and charges at the time of auction or the reserve set by Council. Holding costs in relation to these properties are recognised as an expense when incurred.

continued on next page ...

Note 1. Summary of Material Accounting Policies (continued)

(6) Infrastructure, property, plant and equipment

6.1 Initial recognition

All assets are initially recognised at cost. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition.

All non-current assets purchased or constructed are capitalised as the expenditure is incurred and depreciated as soon as the asset is held “ready for use”. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including architects' fees and engineering design fees and all other costs incurred. The cost of non-current assets constructed by the Council includes the cost of all materials used in construction, direct labour on the project and other overhead cost directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner by management.

6.2 Materiality

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds established by Council for each type of asset. In determining (and in annually reviewing) such thresholds, regard is had to the nature of the asset and its estimated service life.

Examples of capitalisation thresholds applied during the year are given below.

Land	$5,000
Buildings	$5,000
Computer Equipment	$3,000
Office Furniture and Fittings	$3,000
Roads	$5,000
Stormwater	$5,000
Recycled Water	$5,000
Bridges	$5,000
Footpaths	$5,000
Major Plant and Machinery	$2,000
Vehicles	$5,000

6.3 Subsequent recognition

All material asset classes are revalued on a regular basis such that the carrying values are not materially different from fair value. Significant uncertainties exist in the estimation of fair value of a number of asset classes including land, buildings and associated structures and infrastructure. Further detail of these uncertainties, and of existing valuations, methods and valuers are provided at Note 9.

continued on next page ...

Note 1. Summary of Material Accounting Policies (continued)

6.4 Depreciation of non-current assets

Other than land, all infrastructure, property, plant and equipment assets recognised are systematically depreciated over their useful lives on a straight-line basis which, in the opinion of Council, best reflects the consumption of the service potential embodied in those assets.

Depreciation methods, useful lives and residual values of classes of assets are reviewed annually.

Major depreciation periods for each class of asset are listed below. Depreciation periods for infrastructure assets have been estimated based on the best information available to Council, but appropriate records covering the entire life cycle of these assets are not available, and extreme care should be used in interpreting financial information based on these estimates.

Plant, Furniture & Equipment	2 to 10 years
Furniture and Fittings including IT equipment	2 to 20 years
Building & Other Structures	
Building – Fittings	5 to 105 years
Buildings - Superstructure	25 to 125 years
Buildings - Substructure	25 to 125 years
Building - Services	20 to 110 years
Building - Finishes	8 to 100 years
Playgrounds, Park furniture and Park Structures etc.	10 to 80 years
Infrastructure	
Bridges - Superstructure	25 to 100 years
Bridges – Substructure	25 to 125 years
Bridges – Decking surface	10 to 100 years
Bridges – Guardrails parapets	25 to 100 years
Roads - Base	60 to 120 years
Roads - Kerbing	50 to 150 years
Roads - Seal	33 to 90 years
Roads – Sub base	80 to 200 years
Paving & Footpaths, Kerb & Gutter	15 to 60 years
Stormwater - Recycled water	60 to 125 years
Stormwater - Drains	60 to 175 years
Stormwater - Pits	50 to 190 years
Traffic Controls	5 to 90 years
Right-of-Use Assets	2 to 50 years

6.5 Impairment

Assets whose future economic benefits are not dependent on the ability to generate cash flows, and where the future economic benefits would be replaced if Council were deprived thereof, are not subject to impairment testing.

Other assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset’s carrying amount exceeds its recoverable amount (which is the higher of the present value of future cash inflows or value in use).

Where an asset that has been revalued is subsequently impaired, the impairment is first offset against such amount as stands to the credit of that class of assets in Asset Revaluation Reserve, any excess being recognised as an expense.

6.6 Borrowing costs

Borrowing costs in relation to qualifying assets (net of offsetting investment revenue) shall be capitalised in accordance with *AASB 123 Borrowing Costs*. The amounts of borrowing costs recognised as an expense or as part of the carrying amount of qualifying assets are disclosed in Note 5, and the amount (if any) of interest revenue offset against borrowing costs in Note 4.

continued on next page ...

Note 1. Summary of Material Accounting Policies (continued)

(7) Payables

7.1 Goods & Services

Creditors are amounts due to external parties for the supply of goods and services and are recognised as liabilities when the goods and services are received. Creditors are normally paid 30 days after the month of invoice. No interest is payable on these amounts.

7.2 Payments Received in Advance & Deposits

Amounts received in advance (other than grants received from external parties in advance of service delivery, and security deposits held against possible damage to Council assets), are recognised as liabilities until the service is delivered or damage reinstated, or the amount is refunded as the case may be.

(8) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred and are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are carried at their principal amounts which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period to which it relates, and is recorded as part of "Payables". Interest free loans are carried at their nominal amounts; interest revenues foregone by the lender effectively being a reduction of interest expense in the period to which it relates.

(9) Employee benefits

9.1 Salaries, Wages & Compensated Absences

Liabilities for employees' entitlements to salaries, wages and compensated absences expected to be paid or settled within 12 months of reporting date are accrued at nominal amounts (including payroll based on-costs) measured in accordance with AASB 119.

Liabilities for employee benefits not expected to be paid or settled within 12 months are measured as the present value of the estimated future cash outflows (including payroll based on-costs) to be made in respect of services provided by employees up to the reporting date. Present values are calculated using government guaranteed securities rates with similar maturity terms.

Annual Leave:
Weighted avg. discount rate 1.84% (2025, 1.99%)
Weighted avg. settlement period 1.18 years (2025, 1.19 years)

LSL:
Weighted avg. discount rate 5.53% (2025, 4.46%)
Weighted avg. settlement period 1.67 years (2025, 1.39 years)

No accrual is made for sick leave as Council experience indicates that, on average, sick leave taken in each reporting period is less than the entitlement accruing in that period, and this experience is expected to recur in future reporting periods. Council does not make payment for untaken sick leave.

9.2 Superannuation

The Council makes employer superannuation contributions in respect of its employees to their Superannuation Scheme. The Scheme has two types of membership, each of which is funded differently. Details of the accounting policies applied and Council's involvement with the schemes are reported in Note 17.

(10) Provisions for reinstatement, restoration and rehabilitation

Close down and restoration costs include the dismantling and demolition of infrastructure and the removal of residual materials and remediation and rehabilitation of disturbed areas. Estimated close down and restoration costs are provided for in the accounting period when the obligation arising from the related disturbance occurs and are carried at the net present value of estimated future costs.

continued on next page ...

Note 1. Summary of Material Accounting Policies (continued)

Although estimated future costs are based on a closure plan, such plans are based on current environmental requirements which may change. Council's policy to maximise recycling is extending the operational life of these facilities, and significant uncertainty exists in the estimation of the future closure date.

(11) Leases

Accounting policy applicable from 01 July 2019

Council assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

11.1 Council as a lessee

Council recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-Use-Assets

Council recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received and the estimate of costs to be incurred to restore the leased asset. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Building Accommodation	3 to 12 years
Stormwater Assets	50 years

The right-of-use assets are also subject to impairment. Refer to the accounting policy above, 6.5 Impairment.

ii) Lease Liabilities

At the commencement date of the lease, Council recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, Council uses its incremental borrowing rate or the interest rate implicit in the lease.

iii) Short-term leases and leases of low-value assets

Council applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date). It also applies the low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

(12) Equity accounted Council businesses

Council participates in cooperative arrangements with other councils for the provision of services and facilities.
Council's interests in cooperative arrangements, which are only recognised if material, are accounted for in accordance with AASB 128 and set out in detail in Note 18.

(13) GST implications

In accordance with UIG Abstract 1031 *Accounting for the Goods & Services Tax:*

- Receivables and creditors include GST receivable and payable.
- Except in relation to input taxed activities, revenues and operating expenditures exclude GST receivable and payable.
- Non-current assets and capital expenditures include GST net of any recoupment.
- Amounts included in the Statement of Cash Flows are disclosed on a gross basis.

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Note 1. Summary of Material Accounting Policies (continued)

(14) Non Interest Bearing Liabilities

Accommodation Bonds and Aged Care Facility Deposits are amounts payable under the *Aged Care Act 1997* and the *SA Retirement Villages Act 1987* and are controlled by legislation and individual contracts. Funds received from the occupants entering Council's aged complexes are shown as liabilities except for those who pay a non-refundable entry contribution where those amounts are treated as core revenue. Revenue is bought to account as it accrues. These complexes are included in non-current assets as land and buildings. The repayment of the loan deposits is required within a short period of time of the resident leaving the retirement unit. To recognise this requirement all accommodation bonds are recorded as a current liability as per AASB101 *Presentation of Financial Statements* even though historical experience indicates the bonds may not be repaid within one year.

(15) New accounting standards and UIG interpretations

The AASB has issued Australian Accounting Standards and Interpretations which are not mandatorily effective at 30 June 2026. These standards have not been adopted by Council and will be included in the financial statements on their effective date. Where the standard is expected to have a significant impact for Council then further information has been provided in this note.

The following list identifies all the new and amended Australian Accounting Standards, and Interpretation, that were issued but not yet effective at the time of compiling these statements that could be applicable to Councils.
Effective for NFP annual reporting periods beginning on or after 1 January 2026

- AASB 2024-2 Amendments to Australian Accounting Standards- Classification and Measurement of Financial Instruments
- AASB 2024-3 Amendments to Australian Accounting Standards– Annual Improvements Volume 11 [AASB 1, AASB 7, AASB 9, AASB 10 and AASB 107]

Effective for NFP annual reporting periods beginning on or after 1 January 2028

- AASB18Presentation and Disclosure in Financial Statements

Additional information:

AASB 2024-2: Amendments to the Classification and Measurement of Financial Instruments

AASB 2024-2 amends *AASB 9 Financial Instruments* and *AASB 7 Financial Instruments* disclosures to clarify how the contractual cash flows from financial assets should be assessed when determining their classification. The amendment also clarifies the derecognition requirements of financial liabilities that are settled through electronic payment systems. This standard is effective for annual reporting periods beginning on or after 1 January 2026.

AASB 18: Presentation and Disclosure in Financial Statements.

AASB 18 replaces AASB 101 as the standard describing the primary financial statements and sets out requirements for the presentation and disclosure of information in AASB-compliant financial statements. Amongst other changes, it introduces the concept of the 'management-defined performance measures' to financial statements and requires the classification of transactions presented within the statement of profit or loss within one of the five categories – operating, investing, financing, income taxes and discontinued operations. It also provides enhanced requirements for the aggregation and disaggregation of information. This standard is effective for annual reporting periods beginning on or after 1 January 2028.

(16) Comparative figures

To ensure comparability with the current reporting period's figures, some comparative period line items and amounts may have been reclassified or individually reported for the first time within these financial statements and/or the notes.

(17) Disclaimer

Nothing contained within these statements may be taken to be an admission of any liability to any person under any circumstance.

Note 2. Financial indicators

$ '000	Amounts 2026	Indicator 2026	Indicators 2025	Indicators 2024
Financial Indicators overview				

These Financial Indicators have been calculated in accordance with Information paper 9 - Local Government Financial Indicators prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia.

1. Operating Surplus Ratio

Operating surplus	5,802	3.3%	4.3%	1.9%
Total operating income	177,822			

This ratio expresses the operating surplus as a percentage of total operating revenue.

2. Net Financial Liabilities Ratio

Net financial liabilities	48,250	27%	29%	45%
Total operating income	177,822			

Net Financial Liabilities are defined as total liabilities less financial assets (excluding equity accounted investments in Council businesses). These are expressed as a percentage of total operating revenue.

Adjustments to Ratios

In recent years the Federal Government has made advance payments prior to 30th June from future year allocations of financial assistance grants,as explained in Note1. These Adjusted Ratios correct for the resulting distortion in key ratios for each year and provide a more accurate basis for comparison.

In addition, Council has presented an adjusted Net Financial Liabilities Ratio which excludes lease liabilities recognised under AASB16. This adjusted ratio indicator assists in the interpretation of Council's indebtedness by removing the effects arising solely from the accounting treatment of lease liabilities, removing the distortion of the ratio's purpose as an indicator of underlying financing risk and Council's capacity to meet its financial obligations from operating revenue.

Adjusted Operating Surplus Ratio

Operating surplus	682	0.4%	0.7%	3.2%
Total operating income	172,702			

Adjusted Net Financial Liabilities Ratio

Net financial liabilities	50,021	29%	31%	44%
Total operating income	172,702			

3. Asset Renewal Funding Ratio

Asset renewals	35,819	94%	86%	133%
Infrastructure and Asset Management Plan required expenditure	38,257			

Adjusted Asset Renewal Funding Ratio

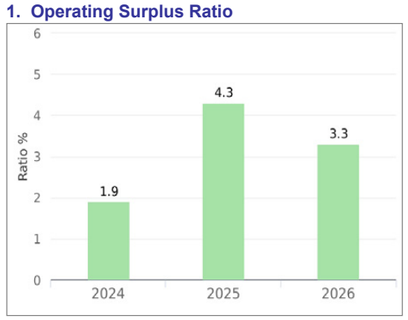
Net Asset Renewals	30,382	79%	37%	112%
Infrastructure & Asset Management Plan required expenditure	38,257			

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Note 2. Financial indicators (continued)

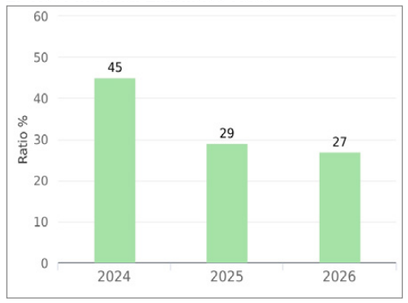
Financial indicators - graphs

1. Operating Surplus Ratio



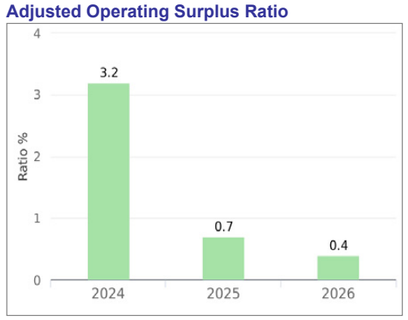
Purpose of operating surplus ratio	Commentary on 2025/26 result
	2025/26 ratio 3.3%
This indicator determines the percentage that operating revenue varies from operating expenditure	Council's Long Term Financial Plan (LTFP) objective is to generate a sustainable Operating Surplus Ratio of between 0% to 10%. A positive ratio indicates the % of operating income available to fund new capital projects and/or repay borrowings.

2. Net Financial Liabilities Ratio



Purpose of net financial liabilities ratio	Commentary on 2025/26 result
	2025/26 ratio 27%
This indicator shows the significance of the net amount owed to others, compared to operating revenue	Council has adopted to a Net Financial Liabilities (NFL) Ratio target range between 0% and 100%.

Adjusted Operating Surplus Ratio

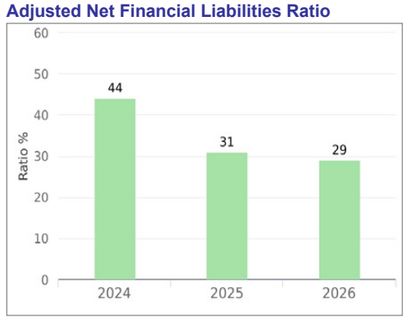


Purpose of adjusted operating surplus ratio	Commentary on 2025/26 result
	2025/26 ratio 0.4%
This indicator is to determine the percentage the operating revenue (adjusted for timing differences in the Financial Assistance Grant) varies from operating expenditure	The Adjusted Operating Surplus Ratio reflects the adjustment for financial year 2026/27 General Purpose funding received in June 2026 ('Financial Assistance Grant'). This highlights the importance of Council continuing to maintain a focus on long-term financial sustainability.

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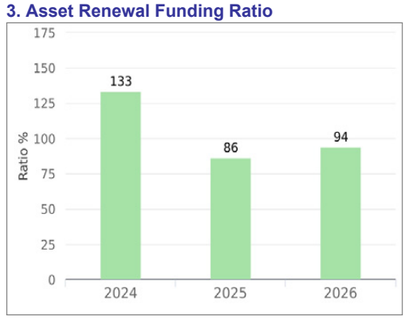
Note 2. Financial indicators (continued)

Adjusted Net Financial Liabilities Ratio



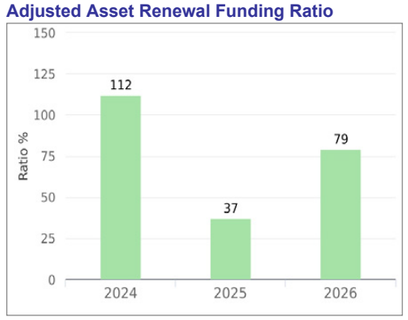
Purpose of adjusted net financial liabilities ratio	Commentary on 2025/26 result
	2025/26 ratio 29%
This indicator is to determine the percentage the operating revenue (adjusted for timing differences in the Financial Assistance Grant) varies from operating expenditure	The Adjusted Net Financial Liabilities Ratio reflects the adjustment for financial year 2026/27 General Purpose funding received in June 2026 ('Financial Assistance Grant').

3. Asset Renewal Funding Ratio



Purpose of asset renewal funding ratio	Commentary on 2025/26 result
	2025/26 ratio 94%
This indicator aims to determine if assets are being renewed and replaced in an optimal way	Council has endorsed a minimum target of 80% capital renewals over the capital infrastructure portfolio. The adopted Asset Management Plans (AMP) and the Long-Term Financial Plan (LTFP) both indicate 100% achievement for each of the next 10 years. This ratio can fluctuate due to the timing of completion of capital renewal projects being impacted by contractor and materials supply delays.

Adjusted Asset Renewal Funding Ratio



Purpose of adjusted asset renewal funding ratio	Commentary on 2025/26 result
	2025/26 ratio 79%
	Council has elected to also disclose an adjusted Asset Renewal Funding Ratio calculated on an accrual basis. The adjusted ratio uses renewal and replacement additions reported in Note 9 (Property, Plant and Equipment– Additions: Renewal/Replacement) as the numerator. This supplementary disclosure provides additional insight where timing differences occur between the completion of renewal works and the associated cash outflows.

Note 3. Uniform presentation of finances

$ '000	2026	2025

The following is a high-level summary of both operating and capital investment activities of Council prepared on a modified Uniform Presentation Framework basis, adjusted for timing differences associated with prepaid Federal assistance Grants required to be recognised as revenue on receipt in accordance with Australian Accounting Standards.
All councils in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis. These arrangements ensure that all councils provide a common 'core' of financial information, which enables meaningful comparisons of each council's finances.

Income		
Rates	148,296	139,187
Statutory charges	7,046	6,812
User charges	5,651	5,232
Grants, subsidies and contributions - capital	787	5,219
Grants, subsidies and contributions - operating	12,393	11,468
Investment income	566	647
Reimbursements	2,913	3,083
Other income	170	66
Total Income	177,822	171,714
Expenses		
Employee costs	(62,415)	(60,227)
Materials, contracts and other expenses	(62,813)	(59,057)
Depreciation, amortisation and impairment	(43,678)	(41,406)
Finance costs	(1,506)	(1,878)
Net loss - equity accounted council businesses	(1,608)	(1,745)
Total Expenses	(172,020)	(164,313)
Operating surplus / (deficit)	5,802	7,401
Net timing adjustment for general purpose grant funding	(4,333)	(2,582)
Less: grants, subsidies and contributions - capital (Excl Roads to Recovery)	(787)	(3,639)
Adjusted Operating surplus / (deficit) excluding Grants, subsidies and contributions - capital	682	1,180
Net outlays on existing assets		
Capital expenditure on renewal and replacement of existing assets	(35,819)	(30,220)
Add back depreciation, amortisation and impairment	43,678	41,406
Add back proceeds from sale of replaced assets	1,155	1,644
	9,014	12,830
Net outlays on new and upgraded assets		
Capital expenditure on new and upgraded assets (including investment property and real estate developments)	(19,908)	(21,581)
Add back grants, subsidies and contributions - capital new/upgraded	787	3,639
Add back amounts received specifically for new and upgraded assets	6,412	1,906
Add back proceeds from sale of surplus assets (including investment property, real estate developments and non-current assets held for resale)	–	4,500
	(12,709)	(11,536)
Adjusted annual net impact to financing activities (surplus/(deficit))	(3,013)	2,474

Note 4. Income

$ '000	2026	2025

(a) Rates

General rates		
General rates	147,640	138,288
Less: mandatory rebates	(3,630)	(3,166)
Less: discretionary rebates, remissions and write-offs	(90)	(264)
Total general rates	143,920	134,858
Other rates (including service charges)		
Regional Landscape Levy	3,688	3,643
Total other rates (including service charges)	3,688	3,643
Other charges		
Penalties for late payment	604	577
Legal and other costs recovered	84	109
Total other charges	688	686
Total rates	148,296	139,187

(b) Statutory charges

Planning, Development and Infrastructure Act fees	2,327	2,143
Health and septic tank inspection fees	8	6
Animal registration fees and fines	963	919
Parking fines / expiation fees	2,648	2,751
Other registration fees	803	690
Other licences, fees and fines	297	303
Total statutory charges	7,046	6,812

(c) User charges

Commercial activity revenue	867	228
Aged facilities rental	485	493
Hall and equipment hire	1,674	2,061
Waste management fees	1,849	1,638
Facilities & equipment hire	63	48
Other	713	764
Total user charges	5,651	5,232

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Note 4. Income (continued)

$ '000	2026	2025

(d) Investment income

Interest on Investments		
- Local Government Finance Authority	192	514
- Banks and other	374	133
Total investment income	566	647

(e) Reimbursements

Joint undertakings (Collaboration)	1,858	1,853
General	1,055	1,230
Total reimbursements	2,913	3,083

(f) Other income

Insurance and other recoupments - infrastructure, property, plant and equipment	92	62
Other	78	4
Total other income	170	66

(g) Grants, subsidies and contributions

Capital grants, subsidies and contributions		
Amounts received specifically for new or upgraded assets	6,412	6,480
Total amounts received for new or upgraded assets	6,412	6,480
Other grants, subsidies and contributions - capital		
Other grants, subsidies and contributions - capital	787	5,219
Total Other grants, subsidies and contributions - capital	787	5,219
Operating grants, subsidies and contributions		
Other grants, subsidies and contributions - operating	12,393	11,468
Total other grants, subsidies and contributions - operating	12,393	11,468
Total grants, subsidies and contributions	19,592	23,167
(i) Sources of grants		
State Government	16,318	16,144
Commonwealth Government	3,274	6,115
Other	–	908
Total	19,592	23,167
(ii) Individually significant items		
Grant Commission - General Purpose Grants	4,555	3,366
Roads to Recovery Funding	1,350	1,580
Local Roads and Community Infrastructure LRCI Grants	–	1,592

continued on next page ...

Note 4. Income (continued)

$ '000	2026	2025

(h) Conditions over grants and contributions

Grants and contributions which were obtained on the condition that they be expended for specified purposes or in a future period, but which are not yet expended in accordance with those conditions, and are required to be repaid to the funding body if not expended, are as follows:

Unexpended at the close of the previous reporting period	2,898	1,126
Less:		
Expended during the current period from revenues recognised in previous reporting periods		
Roads infrastructure	–	(1,126)
Women in Business Grant (deferred)	(16)	–
CHSP Ageing Well	(300)	–
General Purpose	(2,582)	–
Subtotal	(2,898)	(1,126)
Plus:		
Amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions		
CHSP Ageing Well	–	300
Women in Business Grant (deferred)	–	16
General Purpose	–	2,582
Subtotal	–	2,898
Unexpended at the close of this reporting period	–	2,898
Net increase (decrease) in assets subject to conditions in the current reporting period	(2,898)	1,772

(i) Physical resources received free of charge

Roads, bridges and footpaths	1,681	10,332
Total physical resources received free of charge	1,681	10,332

Note 5. Expenses

$ '000	Notes	2026	2025
(a) Employee costs			
Salaries and wages		50,699	48,214
Employee leave expense		5,891	6,545
Superannuation - Defined Benefit and Accumulation Fund Contributions	17	6,813	6,166
Workers' compensation insurance		1,630	1,626
Other employee related costs		542	340
Less: capitalised and distributed costs		(3,160)	(2,664)
Total operating employee costs		62,415	60,227
Total number of employees (full time equivalent at end of reporting period)		509	510
(b) Materials, contracts and other expenses			
(i) Prescribed expenses			
Auditor's remuneration			
- Auditing the financial reports		40	36
Bad and doubtful debts		41	1,978
Elected members' expenses		603	594
Operating lease rentals - non-cancellable leases	16		
- Minimum lease payments - Plant Hire		396	117
Subtotal - prescribed expenses		1,219	2,767
(ii) Other materials, contracts and expenses			
Contractors		16,424	13,160
Energy		3,114	2,883
IT Licences & Consumables		2,177	3,575
Legal expenses		815	664
Levies Paid to Government incl Regional Landscape Levy		4,306	3,909
Levies - other		713	676
Parts, Accessories, Consumables & Supplies		8,913	7,352
Professional services		710	652
Sundry		2,469	1,221
Advertising / Promotional		486	459
Agency Staff		1,313	1,231
Communication		768	844
Consultants		1,103	759
Donations/Contributions		938	787
Insurance		2,345	2,117
Training / Seminars & Conferences		425	528
Waste Costs		11,864	12,572
Water		2,540	2,660
Other		171	241
Subtotal - Other material, contracts and expenses		61,594	56,290
Total materials, contracts and other expenses		62,813	59,057

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Note 5. Expenses (continued)

$ '000	2026	2025
(c) Depreciation, amortisation and impairment		
(i) Depreciation and amortisation		
Buildings & Other Structures - Specialised	11,249	10,579
Stormwater	8,429	8,249
Roads	13,599	12,553
Footpaths	6,028	5,976
Bridges	743	789
Right-of-use assets	495	476
Plant and equipment	2,269	2,077
Furniture and fittings	866	707
Total depreciation, amortisation and impairment	43,678	41,406
(d) Finance costs		
Interest on overdraft and short-term drawdown	274	201
Interest on loans	1,232	1,677
Total finance costs	1,506	1,878

Note 6. Asset disposal and fair value adjustments

$ '000	2026	2025
Infrastructure, property, plant and equipment		
(i) Assets renewed or directly replaced		
Proceeds from disposal	1,155	1,644
Less: carrying amount of assets sold	(6,577)	(4,851)
Gain (loss) on disposal	(5,422)	(3,207)
(ii) Assets surplus to requirements		
Proceeds from disposal	–	11,715
Less: carrying amount of assets sold	(434)	(14,868)
Gain (loss) on disposal	(434)	(3,153)
Net gain (loss) on disposal or revaluation of assets	(5,856)	(6,360)

Note 7. Current assets

$ '000	2026	2025
(a) Cash and cash equivalent assets		
Cash on hand and at bank	3,371	400
Deposits at call	6,460	2,679
Short term deposits and bills, etc.	82	–
Other	278	–
Total cash and cash equivalent assets	10,191	3,079
(b) Trade and other receivables		
Rates - general and other	3,162	2,625
Council rates postponement scheme	–	87
Accrued revenues	281	698
Debtors - general	4,160	10,693
GST recoupment	1,107	937
Prepayments	2,132	757
Sundry	(3)	–
Subtotal	10,839	15,797
Less: provision for expected credit losses	(2,225)	(2,390)
Total trade and other receivables	8,614	13,407
(c) Inventories		
Stores and materials	172	171
Total inventories	172	171

Note 8. Non-current assets

$ '000	2026	2025
(a) Equity accounted investments in council businesses		
Central Adelaide Waste Recycling Authority (CAWRA)	1,083	2,690
Total equity accounted investments in Council businesses	1,083	2,690
(b) Other non-current assets		
Capital work in progress	36,090	29,414
Intangible Assets - Water Rights	150	–
Total other non-current assets	36,240	29,414

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Note 9. Infrastructure, Property, Plant & Equipment

Infrastructure, property, plant and equipment

$ '000	Fair Value Level	as at 30/06/25 At Fair Value	At Cost	Accumulated Depreciation	Accumulated Impairment	Carrying amount	Asset New / Upgrade	Asset movements during the reporting period Asset Additions Renewals	WDV of Asset Disposals	Depreciation Expense (Note 3d)	Revaluation Increments to Equity (ARR) (Note 11)	as at 30/06/26 At Fair Value	At Cost	Accumulated Depreciation	Accumulated Impairment	Carrying amount
Land	2	1,254,215	1,255	–	–	1,255,470	1,062	1,798	–	–	55,070	1,313,400	–	–	–	1,313,400
Buildings & Other Structures - Non Specialised	2	245,848	1,351	(84,573)	–	162,626	3,203	2,299	–	(4,367)	5,275	257,956	–	(88,912)	–	169,044
Buildings & Other Structures - Specialised	3	173,911	19,825	(70,420)	–	123,316	11,192	5,088	(1,038)	(6,882)	3,998	212,833	–	(77,160)	–	135,673
Stormwater	3	813,164	6,552	(225,202)	–	594,514	1,587	3,644	(1,363)	(8,429)	21,093	852,425	–	(241,379)	–	611,046
Roads	3	1,101,519	10,688	(416,234)	–	695,973	1,989	7,033	(2,157)	(13,599)	89,418	1,196,760	–	(418,103)	–	778,657
Footpaths	3	322,509	5,344	(94,312)	–	233,541	1,319	4,658	(2,020)	(6,028)	12,621	348,259	–	(104,176)	–	244,083
Bridges	3	39,706	–	(13,838)	–	25,868	–	–	–	(743)	(700)	37,574	–	(13,149)	–	24,425
Plant and equipment		23,729	17,686	(11,094)	–	12,635	–	4,827	(431)	(2,269)	–	–	25,250	(10,488)	–	14,762
Furniture and fittings		–	17,686	(14,755)	–	2,931	–	1,035	(3)	(866)	–	–	18,486	(15,389)	–	3,097
Total infrastructure, property, plant and equipment		3,950,872	86,430	(930,428)	–	3,106,874	20,352	30,382	(7,012)	(43,183)	186,775	4,219,207	43,736	(968,756)	–	3,294,187
Comparatives		3,539,223	106,591	(931,408)	–	2,714,406	37,440	13,718	(8,928)	(40,930)	391,167	3,950,872	86,430	(930,428)	–	3,106,874

Note 9. Infrastructure, Property, Plant & Equipment (continued)

Valuation of infrastructure, property, plant & equipment and investment property

Valuation of assets

The fair value of assets and liabilities must be estimated in accordance with various Accounting Standards for either recognition and measurement requirements or for disclosure purposes.

AASB 13 Fair Value Measurement requires all assets and liabilities measured at fair value to be assigned to a "level" in the fair value hierarchy as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Refer to Note 9(a) for the disclosure of the Fair Value Levels of Infrastructure, Property, Plant and Equipment Assets.

Information on valuations

Fair value hierarchy level 2 valuations - Certain land, and the buildings and structures thereon, are shown above as being based on fair value hierarchy level 2 valuation inputs. They are based on prices for similar assets in an active market, with directly or indirectly observable adjustments for specific advantages or disadvantages attaching to the particular asset.

Fair value hierarchy level 3 valuations of land - Valuations of Crown land, community land and land subject to other restrictions on use or disposal, shown above as being based on fair value hierarchy level 3 valuation inputs, are based on prices for similar assets in an active market, but include adjustments for specific advantages or disadvantages attaching to the particular asset that are not directly or indirectly observable in that market, or the number and / or amount of observable adjustments of which are so great that the valuation is more fairly described as being based on level 3 valuation inputs.

Fair value hierarchy level 3 valuations of buildings, infrastructure and other assets - There is no known market for buildings, infrastructure and other assets. These assets are valued at depreciated current replacement cost. This method involves:

- The determination of the cost to construct the asset (or its modern engineering equivalent) using current prices for materials and labour, the quantities of each being estimated based on recent experience of this or similar Councils, or on industry construction guides where these are more appropriate.
- The calculation of the depreciation that would have accumulated since original construction using current estimates of residual value and useful life under the prime cost depreciation method adopted by Council.

This method has significant inherent uncertainties, relying on estimates of quantities of materials and labour, residual values and useful lives, and the possibility of changes in prices for materials and labour, and the potential for development of more efficient construction techniques.

Highest and best use

For land which Council has an unfettered right to sell, the “highest and best use” recognises the possibility of the demolition or substantial modification of some or all of the existing buildings and structures affixed to the land. Much of the land under Council’s care and control is Crown land or has been declared as community land under the provisions of the Local Government Act 1999. Other types of restrictions also exist.

For land subject to these restrictions, Council has adopted a rebuttable presumption that the current use is the "highest and best use". The reason for the current use of a large proportion of Council’s assets being other than the “highest and best use” relates to Council’s principal role as the provider of services to the community, rather than the use of those assets for the generation of revenue.

For buildings and other structures on and in the land, including infrastructure, “highest and best use” is determined in accordance with the land on and in which they are situated.

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Note 9. Infrastructure, Property, Plant & Equipment (continued)

Transition to AASB 13 - Fair Value Measurement
The requirements of AASB 13 Fair Value Measurement have been applied to all valuations undertaken since 1 July 2013 as shown by the valuation dates by individual asset classes below.

Land & Land Improvements
A full revaluation of land assets was completed by Australia Pacific Valuers Pty Ltd (APV Valuers and Asset Management) as at 1 July 2023.

The valuation of all excluded/revoked land has been undertaken using the market approach, more specifically the direct comparison method of valuation and by reference to comparable market data. Each of council's land assets are considered with reference to full range of attributes inclusive of location, land area, development potential and general market appeal using market research as evidence from which to draw conclusions regarding market value.

Community land has been undertaken using the market approach, more specifically the direct comparison method of valuation by reference to comparable market data and subsequently adjusting to reflect the community use of the asset and the likelihood of alienating the land to make it available for disposal.

All land and land improvements are classified as level 2 under the market based direct comparison method. Community land is classified as level 3 inputs.

The previous revaluation for Land and Land Improvements was 1 July 2018.

Council reviews the replacement costs of Land annually in between full revaluations. This process involves applying indexation to the replacement costs of these assets, using the Australian Bureau of Statistics Construction Industry Price Indexes (Table 17). The most recent indexation was applied as at 30 June 2026.

Buildings & Other Structures
A full condition based revaluation of bulidings assets has been undertaken and is dated as at 30 June 2024, effective from 1 July of that financial year. The revaluation includes condition assessed depreciated replacement cost, using observable data and cost information from industry standards such as Rawlinson's Handbook and Council's engineering staff.

Council reviews the replacement costs of Buildings annually in between full revaluations. This process involves applying indexation to the replacement costs of these assets, using the Australian Bureau of Statistics Construction Industry Price Indexes (Table 17). The most recent indexation was applied as at 30 June 2026.

Non-specialised buildings are classified as level 2 and are valued using the market approach. The valuation was based on recent market transactions for similar buildings in the area and includes adjustment for factors specific to the buildings being valued such as size, location and current use.

Specialised buildings are valued using depreciated replacement costs due to there not being an active market. Depreciated replacement cost is the cost of replacing the asset with its modern equivalent using market observations. The depreciated replacement cost considered the need for ongoing provision of local government services, specialised nature and retricted use of the assets, the size, condition and location. Estimates of fair value of specialised buildings require significant unobservable inputs, therefore these assets are classified at level 3 fair value.

All acquisitions made after the respective dates of valuation are recorded at cost.

Infrastructure
Council reviews the replacement costs of stormwater, footpaths, and bridges annually in between full revaluations. This process involves applying indexation to the replacement costs of these assets, using the Australian Bureau of Statistics Construction Industry Price Indexes (Table 17). The most recent indexation was applied as at 30 June 2026.

Roads, Footpaths

Roads and Footpaths are valued using the depreciated replacement cost method.

Roads are valued based on the depreciated replacement cost of these assets. The depreciated replacement cost is comprised by the gross replacement cost (based on estimated unit costs for which a substitute asset with similar service potential, physical characteristics, dimensions, depth and environmental parameters could be constructed) and accumulated depreciation (based on estimated total and remaining useful lives informed by the condition assessment of the asset, and the planned asset management strategy applicable to the asset).

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Note 9. Infrastructure, Property, Plant & Equipment (continued)

A full revaluation of roads including was completed by APV Valuers and Asset Management as at 1 July 2025. The valuation was based on depreciated replacement cost and involved the determination of the cost to construct the asset (or its modern equivalent) using a methodology that utilises observable rates from current tender and contract rates. Roads assets contain significant unobservable inputs, therefore these assets are classified as level 3.

A full revaluation of footpaths including access ramps and bus stops was completed by APV Valuers and Asset Management as at 30th June 2025. The valuation was based on depreciated replacement cost and involved the determination of the cost to construct the asset (or its modern equivalent) using a methodology that utilises observable rates from current tender and contract rates. Roads and Footpaths contain significant unobservable inputs, therefore these assets are classified as level 3.
The previous full revaluation of footpaths including access ramps and bus stops was completed by Technology One (JRA) as at 1 July 2019.
Irrigation assets are valued at written down replacements cost. A revaluation was undertaken by council officers as at 1 July 2023 based on depreciated replacement cost rates using rates from actual costs incurred during the reporting period ended 30 June 2022 from Council's external contract providers and internal construction team.

Stormwater Drainage

A revaluation of Stormwater assets unit linear rates of replacement was undertaken by Council's infrastructure asset staff as at 1st July 2024. The rates adopted inform the renewal program identified on the Stormwater Asset Management Plan. The purpose of this revaluation is to bring the network value to actual replacement costs.

The previous full revaluation of Stormwater assets was undertaken in August 2020.

Inputs to the valuation include the design and construction, average cost of construction, condition and consumption score for each component as well as the dates of acquisition and decommissioning. As these are supported by observable evidence obtained via inspection and market evidence they have been classified as Level 2 inputs.

The unobservable inputs (such the relationship between condition and the assessed level of remaining service potential of the depreciable amount required extensive professional judgement and impacted significantly on the final determination of fair value. As such these assets were classified using level 3 valuation inputs.

Stormwater assets contain significant unobservable inputs, therefore these assets are classified as Level 3.

Bridges

Bridges are valued using the depreciated replacement cost method. A full revaluation of bridge assets was completed by Tonkin Consulting Pty Ltd. Valuations have been undertaken as at 1 July 2025.
This method involves the determination of the cost to replace the asset with its modern equivalent less deductions for physical deterioration and relevant forms of obsolescence.
As Bridges contain significant unobservable inputs, these assets are classified as level 3.
The previous full revaluation of Bridge assets was undertaken as at 1 July 2018.

Plant & Equipment
Plant and Equipment is carried at cost, less any accumulated depreciation and impairment losses.

Furniture & Fittings
Furniture and Fittings which includes IT equipment is carried at cost, less any accumulated depreciation and impairment losses.

Note 10. Liabilities

$ '000	Notes	2026 Current	2026 Non-current	2025 Current	2025 Non-current
(a) Trade and other payables					
Goods and services		3,893	–	5,484	–
Payments received in advance		5,018	–	8,217	–
Accrued expenses - employee entitlements		2,260	–	1,374	–
Accrued expenses - other		5,611	–	5,224	–
Aged care facility deposits		6,324	–	6,600	–
Deposits, retentions and bonds		615	–	688	–
Total trade and other payables		23,721	–	27,587	–

$ '000	2026 Current	2026 Non Current	2025 Current	2025 Non Current
(b) Borrowings				
Loans	373	28,328	1,215	23,575
Total Borrowings	373	28,328	1,215	23,575

All interest bearing liabilities are secured over the future revenues of the Council

(c) Provisions				
Employee entitlements (including oncosts)	9,924	2,025	10,431	1,833
Independent Living Unit Maintenance	122	–	92	–
Total provisions	10,046	2,025	10,523	1,833

Note 11. Reserves

$ '000	as at 30/06/25 Opening Balance	Increments (Decrements)	Transfers	Impairments	as at 30/06/26 Closing Balance
Asset revaluation reserve					
Land	970,303	55,070	–	–	1,025,373
Buildings & Other Structures - Specialised	93,605	9,273	–	–	102,878
Infrastructure	619,105	–	–	–	619,105
Stormwater	376,327	21,093	–	–	397,420
Roads	328,106	89,418	–	–	417,524
Footpaths	126,457	12,621	–	–	139,078
Bridges	17,986	(700)	–	–	17,286
JV's / associates - other comprehensive income	4,718	–	–	–	4,718
Total asset revaluation reserve	2,536,607	186,775	–	–	2,723,382
Comparatives	2,145,440	391,167	–	–	2,536,607

Purposes of reserves

Asset revaluation reserves
The asset revaluation reserve is used to record increments and decrements arising from changes in fair value of non current assets (less any subsequent impairment losses, where applicable).

Note 12. Assets subject to restrictions

$ '000	2026	2025
The uses of the following assets are restricted, wholly or partially, by legislation or other externally imposed requirements. The assets are required to be utilised for the purposes for which control was transferred to Council, or for which the revenues were originally obtained.		
Cash and financial assets		
Contribution to Specific Work Programmes	1,140	1,140
Hindmarsh Town Mission	73	70
Total cash and financial assets	1,213	1,210
Total assets subject to externally imposed restrictions	1,213	1,210

Note 13. Reconciliation to Statement of Cash Flows

$ '000	Notes	2026	2025
(a) Reconciliation of cash			
Cash assets comprise highly liquid investments with short periods to maturity subject to insignificant risk of changes of value. Cash at the end of the reporting period as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:			
Total cash and equivalent assets	7	10,191	3,079
Balances per Statement of Cash Flows		10,191	3,079
(b) Reconciliation of Operating Result			
Net surplus/(deficit)		8,039	17,719
Non-cash items in income statements			
Depreciation, amortisation and impairment		43,678	41,406
Equity movements in equity accounted investments (increase)/decrease		1,608	1,745
Non-cash asset acquisitions		(1,681)	(10,332)
Grants for capital acquisitions treated as investing activity		(7,199)	(11,699)
Net (gain)/loss on disposals		5,856	6,360
Prior year correction to depreciation and interest charges on Right of Use Assets		–	134
		50,301	45,333
Add (less): changes in net current assets			
Net (increase)/decrease in receivables		4,958	106
Change in allowances for under-recovery of receivables		(165)	1,961
Net (increase)/decrease in inventories		(1)	18
Net (increase)/decrease in other assets		(155)	–
Net increase/(decrease) in trade and other payables		(3,517)	2,519
Net increase/(decrease) in unpaid employee benefits		(315)	211
Net increase/(decrease) in other provisions		30	33
Net cash provided by (or used in) operations		51,136	50,181
(c) Non-cash financing and investing activities			
Acquisition of assets by means of:			
Physical resources received free of charge	4i	1,681	10,332
Total non-cash financing and investing activities		1,681	10,332
(d) Financing arrangements			
Unrestricted access was available at balance date to the following lines of credit:			
Corporate credit cards		500	500
LGFA cash advance debenture facility		66,500	66,500

Note 14. Financial instruments

Recognised financial instruments

Bank, deposits at call, short term deposits

Accounting Policy:
Initially recognised at fair value and subsequently measured at amortised cost; interest is recognised when earned.

Terms & Conditions:
Deposits are returning fixed interest rates between 3.90% and 4.65% (2025: 3.85% and 4.15%).
Short term deposits are invested in the Local Government Finance Authority or in at call NAB bank accounts depending on the interest rate at time of investment.

Carrying Amount:
Approximates fair value due to the short term to maturity.

Receivables - rates and associated charges (including legals and penalties for late payment)

Accounting Policy:
Initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method.

Terms & Conditions:
Secured over the subject land, arrears attract interest of 8.85% (2025: 8.50%). Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State.

Carrying Amount:
Approximates fair value (after deduction of any allowance).

Receivables - fees and other charges

Accounting policy:
Initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method or through an assessment of each debtor individually.

Terms and conditions:
Unsecured, and do not bear interest. Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries.

Carrying amount:
Approximates fair value (after deduction of any allowance).

Receivables - other levels of government

Accounting policy:
Initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method.

Terms and conditions:
Amounts due have been calculated in accordance with the terms and conditions of the respective programs following advice of approvals, and do not bear interest. All amounts are due by Departments and Agencies of State and Federal Governments.

Carrying amount:
Approximates fair value.

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Note 14. Financial instruments (continued)

Receivables - retirement home contributions

Accounting policy:
Initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method.

Terms and conditions:
Amounts due have been calculated in accordance with the terms and conditions of the respective legislation.

Carrying amount:
Approximates fair value (after deduction of any allowance).

Liabilities - creditors and accruals

Accounting policy:
Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Council.

Terms and conditions:
Liabilities are normally settled on 30 day terms.

Carrying amount:
Approximates fair value.

Liabilities - retirement home contributions

Accounting policy:
To avoid inconvenience when complying with the separate audit requirements imposed by the relevant legislation, amounts are carried at nominal values.

Terms and conditions:
Pursuant to Commonwealth legislation certain residents are required to contribute amounts on an interest free basis. The amounts are subject to certain deductions as prescribed by the legislation, the balance being repaid on termination of tenancy.

Carrying amount:
Approximates fair value for short tenancies; may be non-materially overstated for longer tenancies.

Liabilities - interest bearing borrowings

Accounting Policy:
Initially recognised at fair value and subsequently at amortised cost using the effective interest rate.

Terms & Conditions:
Secured over future revenues, borrowings are repayable at varying intervals and interest is charged at variable rates, which is currently 5.85% (2025 : 5.50%).

Council no longer carries any fixed interest borrowings (2025: $1,180,115) which were repayable by half-yearly instalments of principal and interest.

Carrying Amount:
Approximates fair value.

Liabilities - leases

Accounting policy:
Accounted for in accordance with AASB 16 as stated in Note 16.

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Note 14. Financial instruments (continued)

$ '000	Due < 1 year	Due > 1 year and ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Financial assets and liabilities					
2026					
Financial assets					
Cash and cash equivalents	10,191	–	–	10,191	10,191
Receivables	6,524	–	–	6,524	6,482
Total financial assets	16,715	–	–	16,715	16,673
Financial liabilities					
Payables	15,726	–	–	15,726	16,443
Current borrowings	373	–	–	373	373
Non-current borrowings	–	–	28,328	28,328	28,328
Lease liabilities	678	1,884	–	2,562	2,562
Total financial liabilities	16,777	1,884	28,328	46,989	47,706
Total financial assets and liabilities	33,492	1,884	28,328	63,704	64,379
2025					
Financial assets					
Cash and cash equivalents	3,079	–	–	3,079	3,079
Receivables	12,650	–	–	12,650	12,650
Total financial assets	15,729	–	–	15,729	15,729
Financial liabilities					
Payables	19,370	–	–	19,370	17,996
Current borrowings	1,214	–	–	1,214	1,215
Non-current borrowings	–	–	23,575	23,575	23,575
Lease liabilities	475	1,129	–	1,604	1,604
Total financial liabilities	21,059	1,129	23,575	45,763	44,390
Total financial assets and liabilities	36,788	1,129	23,575	61,492	60,119

The following interest rates were applicable to Council's borrowings at balance date:

	2026		2025	
$ '000	Weighted Avg Interest Rate	Carrying Value	Weighted Avg Interest Rate	Carrying Value
Other variable rates	5.85%	–	5.45%	25,783
Fixed interest rates	0.00%	28,701	3.85%	(993)
		28,701		24,790

Net fair value
All carrying values approximate fair value for all recognised financial instruments. There is no recognised market for the financial assets of the Council.

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Note 14. Financial instruments (continued)

Risk exposures

Credit Risk represents the loss that would be recognised if counterparties fail to perform as contracted. The maximum credit risk on financial assets of the Council is the carrying amount, net of any impairment. All Council investments are made with the SA Local Government Finance Authority and are guaranteed by the SA Government. Except as detailed in Notes 7 and 8 in relation to individual classes of receivables, exposure is concentrated within the Council's boundaries, and there is no material exposure to any individual debtor.

Market Risk is the risk that fair values of financial assets will fluctuate as a result of changes in market prices. All of Council's financial assets are denominated in Australian dollars and are not traded on any market, and hence neither market risk nor **currency risk** apply.

Liquidity Risk is the risk that Council will encounter difficulty in meeting obligations with financial liabilities. In accordance with the model Treasury Management Policy (LGA Information Paper 15), liabilities have a range of maturity dates. Council also has available a range of bank overdraft and standby borrowing facilities that it can access.

Interest Rate Risk is the risk that future cash flows will fluctuate because of changes in market interest rates. Council has a balance of both fixed and variable interest rate borrowings and investments. Cash flow fluctuations are managed holistically in seeking to minimise interest costs over the longer term in a risk averse manner.

Note 15. Capital expenditure commitments

$ '000	2026	2025
Capital commitments		
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Buildings	8,974	11,644
Infrastructure	16,157	7,427
Plant and equipment	5,947	5,319
Open Space	4,953	1,220
	36,031	25,610
These expenditures are payable:		
Not later than one year	36,031	25,610
	36,031	25,610

Note 16. Leases

(i) Council as a lessee

Library buildings
City of Charles Sturt rents Library buildings to provide the Library services to the community. The rental agreements are now recorded as Right of Use Assets ROUA. In preparing the general purpose financial statements for the financial year 2025/26, a correction to the prior year result for financial year 2024/25 was identified. This has been reflected in both the Statement of Comprehensive Income and Statement of Changes in Equity.

Stormwater
City of Charles Sturt has an agreement with City of Port Adelaide Enfield to contribute to the renewal of a section of stormwater asset near Torrens Road. It offers the most efficient and cost effective solution to discharge stormwater accross the flat land of Port Adelaide Enfield to the Barker Inlet.

Set out below are the carrying amounts and movements during the period of right-of-use assets.

(a) Right of use assets

$ '000	Library buildings	Stormwater	Total
2026			
Opening balance	1,022	1,151	2,173
Additions to right-of-use assets	1,113	–	1,113
Depreciation charge	(471)	(24)	(495)
Other	–	–	–
Balance at 30 June	1,664	1,128	2,792
2025			
Opening balance	1,512	1,176	2,688
Additions to right-of-use assets	–	–	–
Depreciation charge	(490)	(25)	(515)
Balance at 30 June	966	1,151	2,117

(b) Lease liabilities

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

$ '000	2026	2025
Balance at 1 July	1,660	2,186
Additions	1,113	–
Accretion of interest	275	296
Payments	(486)	(822)
Balance at 30 June	2,562	1,660
Classified as:		
Current	678	475
Non-current	1,884	1,129

Note 17. Superannuation

The Council makes employer superannuation contributions in respect of its employees to Hostplus (formerly Local Government Superannuation Scheme and Statewide Super). There are two types of membership, each of which is funded differently. Permanent and contract employees of the South Australian Local Government sector with Salarylink benefits prior to 24 November 2009 have the option to contribute to the Accumulation section and/or Salarylink. All other employees (including casuals) have all contributions allocated to the Accumulation section.

Accumulation only members
Accumulation only members receive both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of ordinary time earnings in accordance with superannuation guarantee legislation (12.00% in 2025/26; 11.50% in 2024/25). No further liability accrues to the Council as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

Salarylink (Defined Benefit Fund) members
Salarylink is a defined benefit scheme where the benefit payable is based on a formula determined by the member's contribution rate, number of years and level of contribution and final average salary. Council makes employer contributions to Salarylink as determined by the Fund's Trustee based on advice from the appointed Actuary. The rate is currently 6.3% (6.3% in 2024/25) of "superannuation" salary.

In addition, Council makes a separate contribution of 3% of ordinary time earnings for Salarylink members to their Accumulation account. Employees also make member contributions to the Salarylink section of the Fund. As such, assets accumulate in the Salarylink section of the Fund to meet the member's benefits, as defined in the Trust Deed, as they accrue.

The Salarylink section is a multi-employer sponsored plan. As the Salarylink section's assets and liabilities are pooled and are not allocated by each employer, and employees may transfer to another employer within the local government sector and retain membership of the Fund, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. As provided by AASB 119.34(a), Council does not use defined benefit accounting for these contributions.

The most recent actuarial investigation was conducted by the Fund's actuary, Louise Campbell, FIAA, of Willis Towers Watson as at 30 June 2023. The Trustee has determined that the current funding arrangements are adequate for the expected Salarylink liabilities. However, future financial and economic circumstances may require changes to Council's contribution rates at some future time.

Contributions to other superannuation schemes
Council also makes contributions to other superannuation schemes selected by employees under the "choice of fund" legislation. All such schemes are of the accumulation type, where the superannuation benefits accruing to the employee are represented by their share of the net assets of the scheme, and no further liability attaches to the Council.

Note 18. Interests in other entities

All joint ventures and associates are required to prepare Annual Financial Statements that comply with the SA Local Government Model Financial Statements.

	Council's Share of Net Income		Council's Share of Net Assets	
$ '000	2026	2025	2026	2025
Joint Ventures	–	–	1,083	2,690
Joint Ventures - in loss	(1,608)	(1,745)	–	–

((a)i) Joint ventures, associates and joint operations

(a) Carrying amounts

$ '000	Principal Activity	2026	2025
Central Adelaide Waste Recycling Authority	Recycling	1,083	2,690
Total carrying amounts - joint ventures and associates		1,083	2,690

Central Adelaide Waste Recycling Authority
Central Adelaide Waste Recycling Authority was established to process recyclable waste, and is owned 50% by the City of Charles Sturt and 50% by City of Port Adelaide Enfield.

(b) Relevant interests

	Interest in Operating Result		Ownership Share of Equity		Proportion of Voting Power	
	2026	2025	2026	2025	2026	2025
Central Adelaide Waste Recycling Authority	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%

(c) Movement in investment in joint venture or associate

$ '000	Central Adelaide Waste Recycling Authority 2026	2025
Opening Balance	2,690	4,133
Share in Operating Result	(1,607)	(1,745)
Share in 2024 Correction - Prospective	–	302
Council's equity share in the joint venture or associate	1,083	2,690

City of Charles Sturt

Notes to and forming part of the Financial Statements
for the year ended 30 June 2026

Note 19. Contingencies and assets/liabilities not recognised in the balance sheet

The following assets and liabilities do not qualify for recognition in the Statement of Financial Position, but knowledge is considered relevant to the users of the financial report in making and evaluating decisions about the allocation of scarce resources.

1. Land under roads
As reported in the Financial Statements, Council is of the opinion that it is not possible to attribute a value sufficiently reliably for these assets to qualify for recognition, and accordingly land under roads has not been recognised in the reports. Land acquired for road purposes during the year is initially recognised at cost, but transferred to fair value at reporting date, effectively writing off the expenditure.

At reporting date, Council controlled 612 km of road reserves of average width 7.6 metres.

2. Potential insurance losses
Council is a multi-purpose organisation providing a large range of building, parks infrastructure, playgrounds and other facilities accessible to the public. At any time, it is likely that claims will have been made against Council that remain unsettled.

Council insures against all known insurable risks using a range of insurance policies, each of which is subject to deductable "insurance excesses", the amount of which varies according to the class of insurance.

Council has recognised the potential losses arising from claims known at reporting date based on average historical net cost (including insurance excess) of similar types of claims. Other potential claims not reported to Council may have existed at reporting date.

3. Bank guarantees
Council has guaranteed certain loans and other banking facilities advanced to community organisations and sporting bodies, amounting to $34,921,000 (2025: $29,951,016) at reporting date.

In September 2020, Central Adelaide Waste Recycling Authority (CAWRA) successfully established a $22,901,000 Cash Advance Debenture (CAD) facility through the Local Government Financing Authority (LGFA). CAWRA is a Joint Venture and is owned by City of Charles Sturt (50%) and City of Port Adelaide (50%). Both councils have agreed to guarantee the loan, so are jointly and severally liable in the event of default.

Since inception, CAWRA has now extended its CAD borrowings to $34,901,000.

Council does not expect to incur any loss arising from these guarantees.

4. Legal expenses
Council supports the business of the planning authority for its area under the Planning, Development and Infrastructure Act 2016. Pursuant to that Act, applicants aggrieved by a planning decision of the relevant authority may appeal.
It is normal practice that parties bear their own legal costs for appeals against a planning decision but compliance matters can incur or receive costs awarded by the court.
At the date of these reports, there are no appeals against planning decisions and four appeals against compliance orders made prior to reporting date. All known costs have been recognised, but the amount of further costs cannot be known until the appeals are determined.

5. Legal Matters
Council is a party to an ongoing matter in the Supreme Court of SA for which a likely estimate of financial settlement is unable to be provided for at this stage. As a result, the financial statements have not recognised a provision for any potential future settlement costs.

Note 20. Events after the balance sheet date

Events that occur after the reporting date of 30 June 2026, up to and including the date when the financial statements are "authorised for issue" have been taken into account in preparing these statements.

Note 21. Related party transactions

Key management personnel

Transactions with key management personnel

The Key Management Personnel (KMP) of the Council was previously adjusted in the 2024/25 financial year. The KMP group includes the Mayor, Elected Members, the CEO, the General Managers and the Finance Manager, but not Portfolio Managers. This definition of the Key Management Personnel is consistent with that prescribed under section 112 of the Local Government Act 1999. In all, 17 Councillors and 7 Professional Staff were paid the following total compensation:

$ '000	2026	2025
The compensation paid to key management personnel comprises:		
Short-term employee benefits	2,856	3,213
Long-term benefits	28	364
Total	2,884	3,577

Sundry amounts paid as direct reimbursement of expenses incurred as a result of undertaking professional duties have not been included above.

Elected Members are members of the management committees of the following organisations:

Cheerio Netball Club, Grange Lawn Tennis Club, Grange SLSC, Greater Adelaide Region of Councils (GAROC), Green Adelaide Board, Gym West, Henley Sailing Club, Lions Club of Charles Sturt, Orion Tennis Club, Rowing South Australia, Premier's Climate Change Council, Seaside Tennis Club, Softball SA, Woodville District Baseball Club, Woodville Community Dog Training Centre, Woodville Hockey Club, Woodville Glengarry Tennis Club, Maltese Community Council of SA, Mt. Carmel College, Specific Learning Difficulties SA (SPELD), Vietnamese Community School, SA Multicultural Commission and Delfin Island Neighbourhood Watch.

In accordance with the Local Government Act SA 1999, these persons declare a conflict of interest and leave the meeting environs when any matter affecting their Club/Association/Organisation is discussed or voted upon.

Many of the above-mentioned organisations use facilities maintained by Council for which there is no available arms length market pricing: these facilties are also used by other not-for-profit organisations and the general public.

Council received $280,066 from the above organisations and $87,830 was due at 30 June 2026.

Council paid $2,622,418 to the above organisations and $136,366 was payable at 30 June 2026.

Employees are members of the following organisations' Boards/Management Committees:

South Australian Local Government Financial Management Group (SALGFMG), St Peter's Woodlands Grammar School Finance Committee, Woodville Warriors District Basketball Club, The Zoological Society of SA and Impact 100 SA.

In accordance with the Local Government Act SA 1999, these persons declare a conflict of interest and leave the meeting environs when any matter affecting their Club/Association/Organisation is discussed or voted upon.

Any transactions between South Australian Local Government Financial Management Group and Council were incurred in the normal course of undertaking training and development.

Bentleys
THINKING AHEAD

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CITY OF CHARLES STURT

Opinion

We have audited the accompanying financial report of the City of Charles Sturt (the Council), which comprises the statement of financial position as at 30 June 2026, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the certification of the financial statements.

In our opinion, the financial report gives a true and fair view of the financial position of the City of Charles Sturt as of 30 June 2026, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards and the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2026*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Report

Management is responsible for the preparation of the financial report, which gives a true and fair view in accordance with Australian Accounting Standards and the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2026*, and for such internal control as management determines is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the council's financial reporting process.

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Advisors
Accountants
Auditors

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

BENTLEYS SA AUDIT PARTNERSHIP

DAVID PAPA
PARTNER

Dated at Adelaide this 10th day of November 2026

Bentleys SA Audit Partnership
Level 5
63 Pirie Street
Adelaide SA 5000

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Adelaide SA 5001

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INDEPENDENT ASSURANCE REPORT ON INTERNAL CONTROLS OF THE CITY OF CHARLES STURT

Opinion

We have audited the compliance of the City of Charles Sturt (the Council) with the requirements of *Section 125 of the Local Government Act 1999* in relation to the internal controls established by the Council to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities for the period 1 July 2025 to 30 June 2026 are in accordance with legislative provisions.

In our opinion, the Council has complied, in all material respects, with *Section 125 of the Local Government Act 1999* in relation to internal controls, established by the Council in relation to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities so as to provide reasonable assurance that the financial transactions of the Council have been conducted properly and in accordance with legislative provisions for the period 1 July 2025 to 30 June 2026.

Limitation on Use

This report has been prepared for the members of the Council in accordance with *Section 129 of the Local Government Act 1999* in relation to internal controls specified above. We disclaim any assumption of responsibility for any reliance on this report by any persons or users other than the members of the Council, or for any purpose other than that for which it was prepared.

Limitations of Controls

Because of the inherent limitations of any internal control structure, it is possible that, even if the controls are suitably designed and operating effectively, the control objectives may not be achieved so that fraud, error, or non-compliance with laws and regulations may occur and not be detected.

An assurance engagement on internal controls is not designed to detect all instances of controls operating ineffectively as it is not performed continuously throughout the period and the tests performed are on a sample basis. Any projection of the outcome of the evaluation of controls to future periods is subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

Independence

In conducting our engagement, we have complied with the independence requirements of the Australian professional accounting bodies.

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Advisors
Accountants
Auditors

The Council's Responsibility for the Internal Controls

The Council is responsible for implementing and maintaining an adequate system of internal controls, in accordance with *Section 125 of the Local Government Act 1999* in relation to internal controls, to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and incurring of liabilities are in accordance with legislative provisions.

Our Responsibility

Our responsibility is to express an opinion, based on our procedures, on the Council's compliance with *Section 125 of the Local Government Act 1999* in relation only to the internal controls established by the Council to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities are in accordance with legislative provisions. Our engagement has been conducted in accordance with applicable Australian Standards on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* and ASAE 3150 *Assurance Engagements on Controls*, issued by the Australian Auditing and Assurance Standards Board, in order to state whether, in all material respects, the Council has complied with *Section 125 of the Local Government Act 1999* in relation only to the internal controls specified above for the period 1 July 2025 to 30 June 2026. ASAE 3000 also requires us to comply with the relevant ethical requirements of the Australian professional accounting bodies.

Our procedures included obtaining an understanding of internal controls in relation to the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities, evaluating management's assessment of these internal controls, assessing the risk that a material weakness exists, and testing and evaluating the design and implementation of controls on a sample basis on the assessed risks.

BENTLEYS SA AUDIT PARTNERSHIP

DAVID PAPA
PARTNER

Dated at Adelaide this 10th day of November 2026

City of Charles Sturt

General Purpose Financial Statements

for the year ended 30 June 2026

Certification of Auditor Independence

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of City of Charles Sturt for the year ended 30 June 2026, the Council's Auditor, Bentley's SA Audit Partnership has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2026* made under that Act.

This statement is prepared in accordance with the requirements of Regulation 22(3) *Local Government (Financial Management) Regulations 2026.*

CHIEF EXECUTIVE OFFICER

Paul Sutton
Chief Executive Officer

Date: 28 October 2026

PRESIDING MEMBER, AUDIT AND RISK COMMITTEE

Nicholas Le Lacheur
Presiding Member, Audit & Risk Committee

Bentleys SA Audit Partnership
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Adelaide SA 5001

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bentleys.com.au

Certification of Auditor Independence

I confirm that, for the audit of the financial statements of City of Charles Sturt for the year ended 30 June 2026, I have maintained my independence in accordance with the requirements of APES 110 – Code of Ethics for Professional Accountants (including Independence Standards), Part 4A published by the Accounting Professional and Ethical Standards Board, in accordance with the Local Government Act 1999 and the *Local Government (Financial Management) Regulations 2026* made under that Act.

This statement is prepared in accordance with the requirements of Regulation 25 of Local *Government (Financial Management) Regulations 2026*.

Bentleys SA Audit Partnership



David Papa
Partner
Dated at Adelaide this 20th day of October 2026

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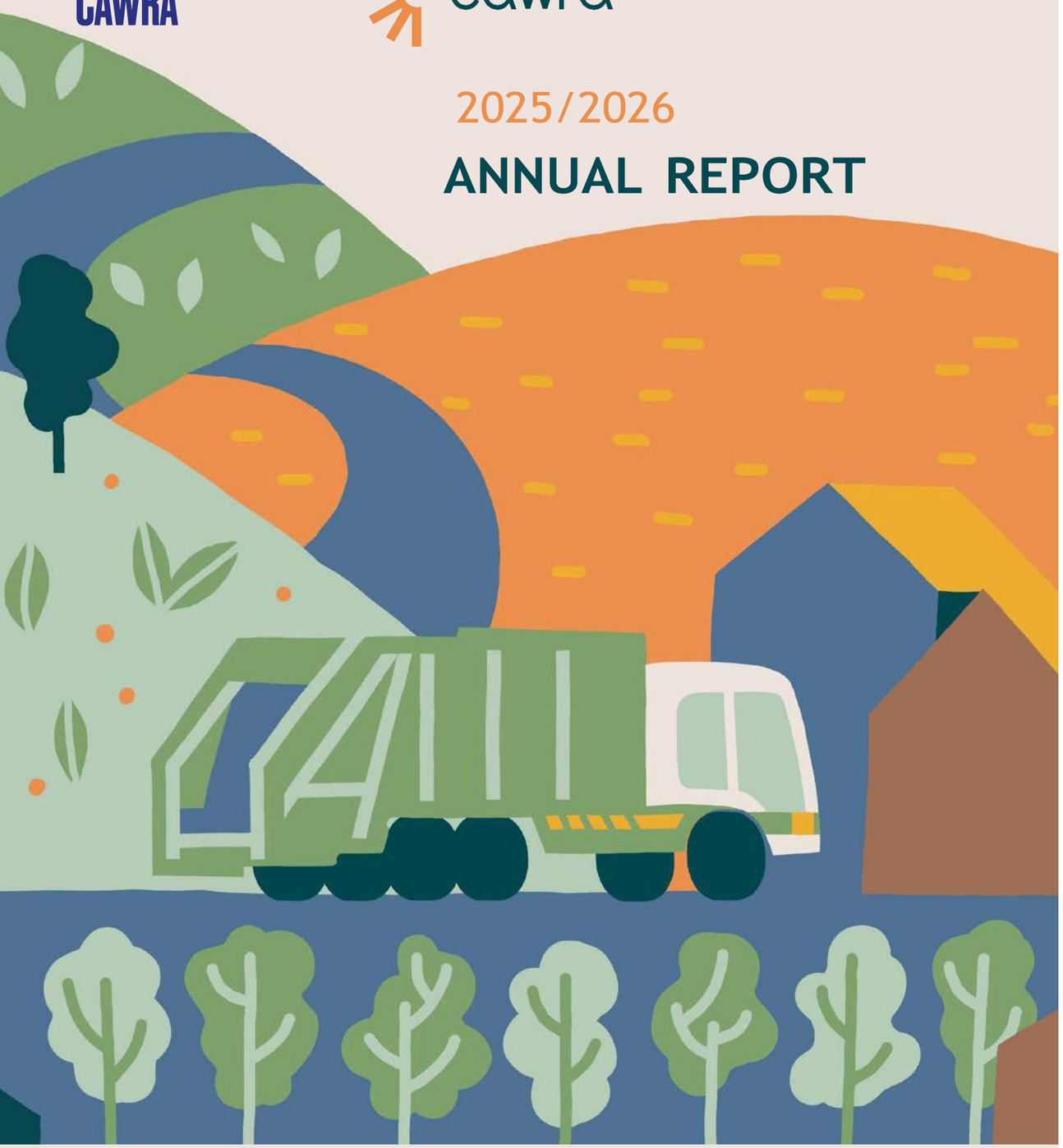
Advisors
Accountants
Auditors

APPENDIX 2: CAWRA

cawra

2025/2026

ANNUAL REPORT



PORT ADELAIDE ENFIELD

City of Charles Sturt

cawra

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We acknowledge and pay respect to the Kaurna people, the traditional custodians whose ancestral lands we gather on. We acknowledge the deep feelings of attachment and relationship of the Kaurna people to country and we respect and value their past, present and ongoing connection to the land and cultural beliefs.

Introducing Central Adelaide Waste and Recycling Authority

Established in 2019, Central Adelaide Waste and Recycling Authority (CAWRA) is a regional subsidiary of the Cities of Charles Sturt and Port Adelaide Enfield.

Created to service the local communities, CAWRA owns a Material Recovery Facility that receives and processes kerbside recyclable material from Councils and other organisations to deliver efficient and effective recycling solutions for residents.

In addition to receiving and processing recyclable material from Councils across Adelaide, CAWRA also manages a range of waste, recycling and circular economy contracts and services on behalf of its two constituent Councils.

CAWRA is committed to driving sustainability and protecting our environment for future generations. Through ongoing investment in infrastructure and the expertise of our dedicated team, we continue to support a more sustainable future for our region.

Our Materials Recovery Facility (MRF) is operated under contract by Visy Recycling, one of Australia's leading recycling companies, helping to ensure effective resource recovery and responsible waste management

Report from David Spear – Independent Chair

The 2025/26 financial year was a year of significant change for CAWRA, marked by an expanded service delivery role, organisational growth and a number of operational challenges.

While CAWRA's annual operating loss improved during the year, the subsidiary continues to face financial challenges. Improving long-term financial sustainability remains a key focus of the Board, and considerable effort has been directed towards identifying opportunities to improve operational efficiency, strengthen financial performance and ensure CAWRA remains well positioned to meet the future needs of its constituent Councils.

As CAWRA assumed an expanded range of services on behalf of its two constituent Councils, our team grew from three staff members in June 2025 to six by the end of the financial year. This growth was necessary to support the delivery of essential services, community education programs and regional initiatives.

One of the most significant changes during the year was CAWRA assuming responsibility for the management and oversight of the kerbside waste and recycling collection contract on behalf of the City of Charles Sturt and City of Port Adelaide Enfield. This transition coincided with ongoing truck driver shortages experienced by the collection contractor, resulting in service disruptions and missed collections across both Council areas.

CAWRA played an active role in managing the contractor's performance and recovery efforts. When it became clear that service levels were not improving sufficiently, CAWRA engaged an independent contractor to provide supplementary collection services. Supported by additional trucks and drivers sourced from interstate, this intervention accelerated service recovery and helped restore collection performance. While challenging, the experience demonstrated CAWRA's ability to respond quickly and effectively while maintaining a strong focus on service outcomes for our communities.

Despite these challenges, CAWRA continued to progress key strategic initiatives. During the year, we continued implementing our regional waste, recycling and circular economy strategy, *Going Circular to 2030*, while launching our new regional community education framework, *Rethink Reset Recycle*. These initiatives support our long-term objectives of reducing waste, increasing resource recovery and encouraging more sustainable behaviours across the region.

CAWRA also continued to work closely with Visy Recycling to identify and implement operational improvements at the Materials Recovery Facility (MRF). Following significant plant upgrades in recent years, operations have stabilised, allowing greater focus on efficiency, safety and product quality. Ongoing investment in plant and equipment improvements is supporting improved resource recovery outcomes and operational performance.

Battery-related fires remain one of the most significant risks facing the waste and recycling sector, driven by the growing presence of lithium-ion batteries in everyday household products. CAWRA has continued to advocate for greater awareness and action on this issue, contributing to the South Australian Government's commitment to fund community education on battery safety and disposal. CAWRA, on behalf of the City of Charles Sturt, submitted an expression of interest to host a free community drop-off service for appliances containing embedded batteries at the Beverley Recycling and Waste Centre, funded by Green Industries SA. We look forward to these programs being rolled out in 2026/27.

I thank our staff, Board members, Audit & Risk Committee members, council partners, contractors and stakeholders for their support, expertise and dedication throughout the year. As we look ahead, the Board remains focused on strengthening CAWRA's financial sustainability, improving service delivery and ensuring the organisation continues to adapt to the evolving needs of our member councils and communities.

David Spear
Independent Chair, CAWRA Board

Report from Leah Maxwell – Chief Executive Officer

The 2025/26 financial year was a defining period in CAWRA's continued evolution. It was a year in which our organisation moved from a period of establishment and growth into a more mature phase of service delivery, while also taking on an expanded range of responsibilities on behalf of our constituent Councils.

During the year, CAWRA assumed responsibility for the management of several key waste, recycling and circular economy services, including kerbside collection, hard waste, mattress recycling, community education and waste-related development assessment functions. This transition significantly broadened CAWRA's operational role and strengthened our ability to support consistent, coordinated and efficient services across the Cities of Charles Sturt and Port Adelaide Enfield.

To support these expanded functions, our workforce more than doubled, growing from three employees in June 2025 to six by the end of the financial year. This growth has brought new capability, expertise and resilience to the organisation, while also highlighting the importance of continuing to invest in our people, systems and internal processes as CAWRA matures.

The transition of services was not without challenges. Shortages of waste truck drivers placed pressure on kerbside collection performance and resulted in service disruptions for many residents. CAWRA worked closely with its contractors and constituent Councils to respond to these issues, including through the engagement of supplementary collection resources to support recovery. While this was a difficult period, it demonstrated the value of CAWRA's role in actively managing service performance, responding quickly to emerging issues and keeping community outcomes at the centre of decision-making.

Alongside operational delivery, CAWRA remained focused on its strategic agenda. The continued implementation of Going Circular to 2030 and the launch of the Rethink Reset Recycle education framework provide clear direction for our regional approach to waste avoidance, resource recovery and community education. These initiatives are helping to build stronger foundations for a more circular, informed and sustainable community.

Our Materials Recovery Facility also continued to perform an important regional role, processing close to 41,000 tonnes of kerbside recyclables during the year. Working with Visy Recycling, CAWRA continued to focus on operational performance, safety, product quality and opportunities to improve resource recovery outcomes.

Financial sustainability remained a critical priority throughout 2025/26. As CAWRA's responsibilities expand, maintaining a disciplined approach to financial management, contract performance and long-term planning will be essential. Encouraging progress has been made, but we recognise that further work is required to ensure CAWRA is well positioned to meet future service expectations and deliver value for our Councils and communities.

What has impressed me most during the year has been the commitment, adaptability and professionalism of the CAWRA team. They have embraced new responsibilities, supported each other through change and remained focused on delivering practical outcomes for our Councils, contractors, stakeholders and local communities.

I would like to thank the CAWRA Board and Audit & Risk Committee for their guidance and support throughout the year, and our member councils — the Cities of Charles Sturt and Port Adelaide Enfield — for their continued collaboration and trust as CAWRA's role has expanded. I also acknowledge our contractors, industry partners and stakeholders, whose expertise and cooperation are essential to the delivery of reliable services and improved resource recovery outcomes. Most importantly, I thank the CAWRA team for their professionalism, adaptability and commitment during a year of significant change. Together, we have strengthened CAWRA's foundations and positioned the organisation well for the year ahead.

Leah Maxwell
Chief Executive Officer

Governance

CAWRA Board

CAWRA is governed by a Board of Management, which is responsible for overseeing the organisation's business operations and ensuring compliance with its Charter. Mr Andrew Mounas commenced as a CAWRA Board Member in September 2025, appointed by the City of Charles Sturt to fill the Board vacancy for an independent Member.

Functions of the Board

The Functions of the Board are to

- formulate plans and strategies aimed at improving the business of the Authority;
- provide professional input and policy direction to the Authority;
- monitor, oversee and measure the performance of the Chief Executive Officer;
- assist in the development of the Business Plan;
- exercise the care, diligence and skill that a prudent person of business would exercise in managing the affairs of other persons; and
- ensure that the Constituent Councils are advised, as soon as practicable, of any material development that affects the financial or operating capacity of the Authority.

Board Members



David Spear
Independent Chair
Meeting Attendance: 4 / 4



Mayor Angela Evans
Mayor City of Charles Sturt
Meeting Attendance 2/4



Paul Sutton
CEO City of Charles Sturt
Meeting Attendance 4/4



Mayor Claire Boan
Mayor Port Adelaide Enfield
Meeting Attendance 3/4



Mark Withers
CEO Port Adelaide Enfield
Meeting Attendance 4/4



John Niarchos
Independent Member appointed by Port Adelaide Enfield
Meeting Attendance 3/4



Andrew Mounas
(from September 2025)
Independent Member appointed by City of Charles Sturt
Meeting Attendance 3/3

Board meetings held in 2025/2026

The Board convened on four occasions during 2025/26 with 3 Out of Session reports endorsed during this period.
The CAWRA Board met on the following dates in 2025/26:

- 18 September
- 19 November
- 23 February
- 5 June

Audit & Risk Committee

Under the CAWRA Charter and in accordance with the requirements of *the Local Government Act (1999)*, CAWRA has an established Audit and Risk Committee (ARC).

The committee is comprised of three members as follows:

(a) a person, who will be the Chair, appointed by the Constituent Councils (acting jointly) and who is neither an officer or member of a Constituent Council and who is not a member of the Board; and

(b) two persons being one person appointed by each Constituent Council who is not a member of the Board and who is considered to have experience relevant to the Functions of the Authority or, financial experience relevant to the functions of the Audit & Risk Committee.

Audit & Risk Committee Members

The ARC membership composition changed during 2025/26 following the resignations of Nicolle Rantanen as Chair and Melissa Oors L'Estrange as a Member. Peter Brass served as Acting Chair following Nicolle Rantanen's resignation and was formally appointed as Chair on 3 June 2026. Martin Robb and Pamela Lee were also appointed as Members of the Committee from 3 June 2026.

Audit & Risk Committee members:

- Peter Brass (Chair)
- Martin Robb
- Pamela Lee

Audit & Risk Committee meetings

In total, the Audit & Risk Committee convened on 3 occasions during 2025/26 with 1 'out of session' reports circulated and endorsed during this period.

CAWRA's Audit & Risk Committee met on the following occasions during 2025/26:

1. 12 September 2025
2. 13 November 2025
3. 4 June 2026

External Auditor

Following a competitive process undertaken in 2024/25, Dean Newberry were recommended by the Audit & Risk Committee for appointment to this role from the 2024/25 financial year. That recommendation was subsequently endorsed by the CAWRA Board. Dean Newberry continue to serve CAWRA in this capacity for the 2025/26 financial year.

2025/26 Achievements

MRF Operations

Processing 40,955 tonnes of kerbside recyclables in 2025/2026

CAWRA's previous planning and investment in upgrades to MRF plant and equipment delivered operational benefits in 2025/26, with efficiency gains evident from early in the financial year. The upgrades enhanced material quality, reduced transport costs, minimised stoppages and increased operational uptime. They also improved staff safety by providing better maintenance access to key equipment and shorter emergency egress routes in the event of a fire within the facility.

In addition to the plant and equipment upgrades described above, CAWRA continues to work closely with Visy to apply a continuous improvement approach to day-to-day MRF operations. Opportunities were identified to improve resource recovery and product quality by manually removing valuable commodities and contamination from the paper and containers lines within the MRF. These changes were trialled and implemented along with a continued focus on positively sorted glass. In addition, there has been a renewed focus on achieving the best possible recovery rates for deposit containers.



Circular Economy & Strategy

CAWRA continues to push forward in important areas of policy, as signalled in our regional waste, recycling and circular economy strategy 'Going Circular to 2030'.

In 2025/26, key initiatives included:

- Adoption of 'Going Circular to 2030' by both constituent Councils (regional waste, recycling and circular economy strategy)
- Preparation of a regional community education strategy - 'Rethink Reset Recycle' – which was subsequently adopted by both of CAWRA's constituent Councils and is now being implemented
- Leading a push by South Australia's waste regional subsidiaries to advocate for action by the State Government to get batteries out of bins. This has resulted in the creation of a State Government Task Force to address the risk of battery fires for the waste sector and an election commitment (early in 2026) for the State Government to spend $1m over 2 years educating the community in the safe and responsible disposal of loose and embedded batteries
- Collaborating with the NAWMA regional subsidiary in a successful $100,000 grant application to investigate the use of new technologies (including AI) to identify contamination kerbside bins and the associated programs to educate householders in correct bin use. This project commenced in early 2026. The report and its findings are currently being considered by both subsidiaries to guide next steps.
- Continuing our work to support the re-establishment of services to collect and recycle soft plastic packaging – now through the newly established product stewardship organisation 'Soft Plastic Stewardship Australia'. Three Councils utilising CAWRA's MRF (being the Cities of Adelaide, Charles Sturt and Port Adelaide Enfield) continue to provide kerbside collection to over 5,000 registered households using specially printed orange bags. In addition, Woolworths has re-established drop-off services to receive soft plastic for recycling in supermarkets across Adelaide. The South Australian community has responded very positively to both initiatives. These programs are fully funded by the major brands and retailers that sell their products in soft plastic packaging. As previously, material collected through these programs are processed by IQ Renew in regional New South Wales.
- Working with local bin manufacturers Mastec to manufacture and test the use of recycled soft plastic material in wheelie bin lids. Following successful early trials and quality assurance testing, over 200 lids containing 20% recycled soft plastic material have been placed into selected households in the Cities of Charles Sturt and Port Adelaide Enfield for field trial. To date, no complaints have been received about the performance of these lids in use. They will be formally assessed for field performance at the end of Summer 2026/27. This program is partially funded by the State Government grant through Green Industries SA.
- Testing the receipt and processing of commingled recyclables (yellow bin contents) from commercial premises at the CAWRA MRF. This project is also supported by a grant from Green Industries SA and aims to improve the quality of recyclable material from office buildings—an area often challenged by high contamination rates. The trial combines targeted collection methods with education to improve source separation and recovery outcomes. Results to date have been very positive, with the majority of material received being suitable for processing and the number of businesses involved in the program continuing to grow.

Management of Council contracts and services

As decided in 2024/25, a number of functions previously undertaken by the two constituent Councils transitioned into CAWRA for delivery from July 2025. These included the management of the following services and contracts on behalf of both Councils:

- Kerbside bin collections (by Cleanaway)
- Hard waste collection services
- Mattress recycling services
- Community education services
- Assessment of Development Applications (relating to waste and recycling aspects only)

To support these new functions within CAWRA, some staff positions previously deployed within the Councils were transitioned to CAWRA. CAWRA's expanded team continues to work closely with both Councils to ensure the efficient and effective management of these services.

This transition period was significantly impacted by the severe staff shortages experienced by Cleanaway in late 2025 and early 2026. The reduced number of drivers available to empty bins resulted in a very high frequency of delayed bin collections, significantly impacting households across both Councils. CAWRA worked closely with Cleanaway to address this service failure, ultimately engaging an additional (independent) contractor to pick up the bins that Cleanaway was unable to empty in time. The additional contractor came at no additional cost to Member Councils or CAWRA. While these interventions have assisted and (as of mid-2026) services have largely returned to acceptable levels, CAWRA continues to closely monitor and manage Cleanaway to ensure service quality is maintained.

Governance & Planning

CAWRA continued to strengthen its governance and forward-planning approach during 2025/26, ensuring the organisation remains responsive, financially sustainable and strategically aligned with the needs of its Member Councils and communities.

The Board, together with the CAWRA management team, has been actively reviewing the organisation's future direction, with a focus on long-term financial sustainability, the evolving needs of Member Councils and opportunities to advance circular economy outcomes across the region.

Education & Community Engagement

CAWRA continues to deliver strong community and stakeholder education programs, guided by the programs and initiatives identified within the new regional 'Rethink Reset Recycle' strategy.

The 5 priority areas identified in 'Rethink Reset Recycle' to guide our efforts to 2030 are:

1. Build trust in the recycling process
2. Get batteries out of bins
3. Our 3 bins – recycle more, contaminate less
4. What to do with 'other' wastes
5. Reduce consumption of textiles and plastics

CAWRA hosted tours of the MRF for school groups, community organisations, council staff, and industry representatives—each gaining valuable insights into the recycling process and the importance of correct material separation. CAWRA also hosted four public MRF tours in support of National Recycling Week in November 2025 – encouraging members of the general public to book themselves in to view the recycle process first-hand.

For the 2025/26 FY, CAWRA had 55 engagements:

- 50 x CAWRA tours
- 1 x School Incursion
- 1 x Community group visit
- 3 x Online presentations

Across these, we engaged with 1038 people, with 795 visiting CAWRA for a tour.

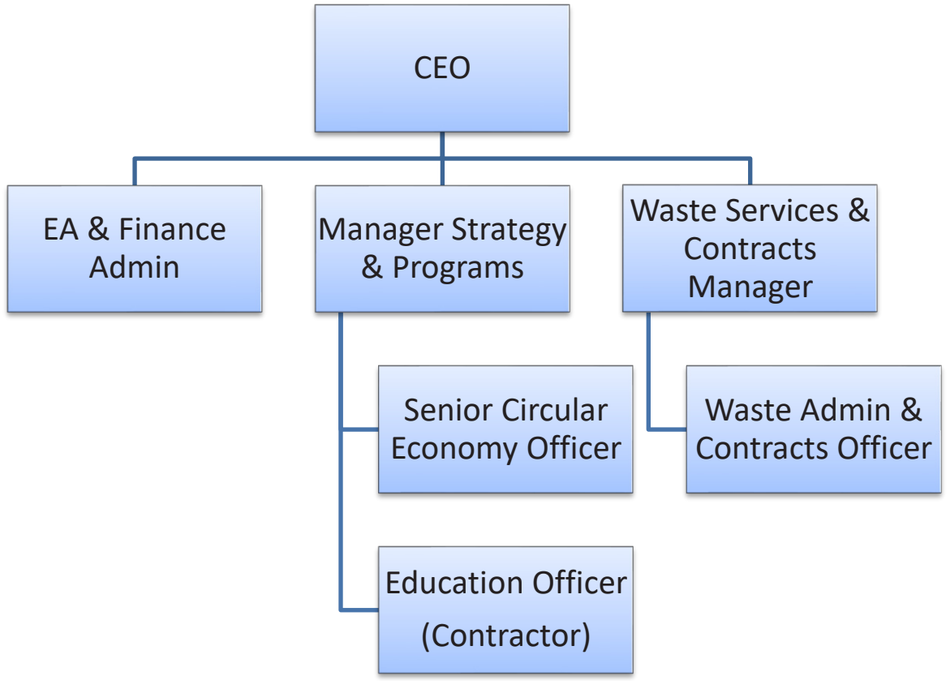
- 14 tours were for PAE community groups or schools
- 4 tours were for CCS community groups or schools
- An additional 3 tours were combined for PAE and CCS.

As part of our partnership with Green Industries SA, CAWRA and Councils again hosted a “Set Your Clothes Free” event on 1 November 2025 at the Beverley Recycling and Waste Centre. This was the third event of this kind to be hosted by CAWRA — an initiative aimed at promoting textile reuse and reducing clothing waste. Community support for these events continues at high levels. A further event is being planned for 31 October 2026.

CAWRA’s expanded programs and achievements in 2025/2026 reflect our continued commitment to operational excellence, environmental leadership, and community engagement. As we look ahead, we remain focused on delivering high-quality services while supporting a more circular and sustainable future for South Australia.

CAWRA Team

From July 2025, to accommodate the expanded suite of functions being undertaken by CAWRA on behalf of its two constituent Councils, CAWRA’s structure expanded as follows:



Central Adelaide Waste and Recycling Authority

General Purpose Financial Reports

for the year ended 30 June 2026

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Central Adelaide Waste and Recycling Authority

Annual Financial Statements

for the year ended 30 June 2026

Certification of Financial Statements

We have been authorised by the Central Adelaide Waste Recycling Authority Board to certify the financial statements of the Central Adelaide Waste Recycling Authority in their final form.

In our opinion:

- The accompanying financial statements comply with the *Local Government Act 1999, Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards.
- The financial statements present a true and fair view of the Central Adelaide Waste Recycling Authority's financial position at 30 June 2026 and the results of its operations and cash flows for the year ended 30 June 2026.
- Internal controls implemented by the Authority provide a reasonable assurance that the Authority's financial records are complete, accurate and reliable and were effective throughout the financial year.
- The financial statements accurately reflect the Central Adelaide Waste Recycling Authority's accounting and other records.

Ms Leah Maxwell
Chief Executive Officer

Dated: 23/9/26

Mr David Spear
Chair of The Board

Dated: 23/9/26

Central Adelaide Waste and Recycling Authority
Statement of Comprehensive Income
for the year ended 30 June 2026

	Notes	2026 $	2025 $
INCOME			
Kerbside recyclables	2	5,529,953	5,249,274
Net commodity sales	2	484,101	517,607
Site usage fees	2	470,370	475,786
Investment income	2	16	13
Reimbursements	2	627,092	-
Grants, subsidies and contributions - Operating	2	59,415	-
Other income	2	1,029,979	694,737
Total Income		**8,200,926**	**6,937,417**
EXPENSES			
Employee costs	3	250,684	226,424
Materials, contracts & other expenses	3	8,144,103	7,625,834
Depreciation, amortisation & impairment	3	1,473,363	1,477,444
Finance costs	3	1,547,444	1,545,859
Total Expenses		**11,415,594**	**10,875,561**
OPERATING SURPLUS / (DEFICIT)		**(3,214,668)**	**(3,938,144)**
Amounts received specifically for new or upgraded assets	2	-	439,499
NET SURPLUS / (DEFICIT) (transferred to Equity Statement)		**(3,214,668)**	**(3,498,645)**
TOTAL COMPREHENSIVE INCOME		**(3,214,668)**	**(3,498,645)**

This Statement is to be read in conjunction with the attached Notes.

Central Adelaide Waste and Recycling Authority
Statement of Financial Position
for the year ended 30 June 2026

ASSETS	Notes	2026 $	2025 $
Current Assets			
Cash and cash equivalents	4	253,965	777,775
Trade & other receivables	4	1,154,394	832,148
Inventories	4	485,971	378,018
Total Current Assets		**1,894,330**	**1,987,941**
Non-current Assets			
Infrastructure, property, plant & equipment	6	32,386,948	33,438,377
Other non-current assets	5	147,304	166,921
Total Non-current Assets		**32,534,252**	**33,605,298**
Total Assets		**34,428,582**	**35,593,239**
LIABILITIES			
Current Liabilities			
Trade & other payables	7	1,911,577	1,716,800
Borrowings	7	-	3,550,046
Provisions	7	86,716	73,257
Total Current Liabilities		**1,998,293**	**5,340,103**
Non-current Liabilities			
Borrowings	7	30,272,836	24,881,016
Total Non-current Liabilities		**30,272,836**	**24,881,016**
Total Liabilities		**32,271,129**	**30,221,119**
NET ASSETS		**2,157,453**	**5,372,120**
EQUITY			
Accumulated surplus / (deficit)		(9,874,494)	(6,659,826)
Asset revaluation reserves	8	9,437,393	9,437,393
Capital contributions of councils	10	2,594,554	2,594,554
TOTAL EQUITY		**2,157,453**	**5,372,120**

This Statement is to be read in conjunction with the attached Notes.

Central Adelaide Waste and Recycling Authority

Statement of Changes in Equity

for the year ended 30 June 2026

2026	Notes	Accumulated Surplus $	Asset Revaluation Reserve $	Capital Contributions of Councils $	TOTAL EQUITY $
Balance at end of previous reporting period		(6,659,826)	9,437,393	2,594,554	5,372,120
Net Surplus / (Deficit) for Year		(3,214,668)	-	-	(3,214,668)
Balance at end of period		**(9,874,494)**	**9,437,393**	**2,594,554**	**2,157,452**

2025					
Balance at end of previous reporting period		(3,765,166)	9,437,393	2,594,554	8,266,780
Adjustment: correction of prior period error		603,985	-	-	603,985
Net Surplus / (Deficit) for Year		(3,498,645)	-	-	(3,498,645)
Balance at end of period		**(6,659,826)**	**9,437,393**	**2,594,554**	**5,372,120**

This Statement is to be read in conjunction with the attached Notes

Central Adelaide Waste and Recycling Authority

Statement of Cash Flows

for the year ended 30 June 2026

CASH FLOWS FROM OPERATING ACTIVITIES	Notes	2026 $	2025 $
Receipts:			
Grants utilised for operating purposes		118,500	-
Other revenues		7,815,662	6,913,620
Payments:			
Employee costs		(237,090)	(183,766)
Materials, contracts & other expenses		(8,116,489)	(7,774,581)
Finance payments		(1,503,667)	(1,603,648)
Net Cash provided by (or used in) Operating Activities	9	**(1,923,084)**	**(2,648,375)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts:			
Amounts received specifically for new or upgraded assets		-	382,460
Payments:			
Expenditure on new/upgraded assets		(442,548)	(533,615)
Net Cash provided by (or used in) Investing Activities		**(442,548)**	**(151,155)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts:			
Proceeds from borrowings	7	1,841,821	2,700,000
Net Cash provided by (or used in) Financing Activities		**1,841,821**	**2,700,000**
Net Increase (Decrease) in cash held		**(523,811)**	**(99,530)**
Cash & cash equivalents at beginning of period	9	777,776	877,306
Cash & cash equivalents at end of period	9	**253,965**	**777,776**

This Statement is to be read in conjunction with the attached Notes

Central Adelaide Waste and Recycling Authority

Notes to and forming part of the Financial Statements

for the year ended 30 June 2026

Note 1 - MATERIAL ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1 Basis of Preparation

1.1 Compliance with Australian Accounting Standards
This general purpose financial report has been prepared in accordance with Australian Accounting Standards as they apply to not-for-profit entities, other authoritative pronouncements of the Australian Accounting Standards Board, Interpretations and relevant South Australian legislation.

The financial report was authorised for issue by certificate under regulation 14 of the Local Government (Financial Management) Regulations 2011.

Central Adelaide Waste Recycling Authority is a Regional Subsidiary under Section 43 and Schedule 2 of the Local Government Act 1999. The Constituent Councils and their respective share of equity are as follows:

City of Charles Sturt 50%
City of Port Adelaide Enfield 50%

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1.2 Going Concern Basis
The board of management notes that CAWRA has continued to make an operating loss of $3,214,668 in 2026 and has a net asset position of $2,157,453

The Authority has a statutory guarantee from its Constituent Councils to meet all of its financial obligations and accordingly has prepared their financials on a going concern basis.

1.3 Historical Cost Convention
Except as stated below, these financial statements have been prepared in accordance with the historical cost convention.

1.4 Authorisation for Issue
The financial report was authorised for issue by certificate under regulation 14 of the Local Government (Financial Management) Regulations 2011 dated 23 September 2026.

Central Adelaide Waste and Recycling Authority

Notes to and forming part of the Financial Statements

for the year ended 30 June 2026

Note 1 - MATERIAL ACCOUNTING POLICIES (con't)

1 Basis of Preparation (con't)

1.5 Critical Accounting Estimates
The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates, and requires management to exercise its judgement in applying the Authority's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are material to the financial statements are specifically referred to in the relevant sections of these notes.

1.6 Rounding
All amounts in the financial statements have been rounded to the nearest dollar.

1.7 Economic Dependency
Per Section 3.2 of the Authority's Charter, there may be a requirement for additional financial contributions to be made by Constituent Councils if there is insufficient working capital available to meet CAWRA's financial obligations into the future. The Authority may be reliant on this additional financial support being provided to enable it to continue to operate on a going concern basis.

2 The Local Government Reporting Entity
The Central Adelaide Waste and Recycling Authority is incorporated under the SA Local Government Act 1999 and has its principal place of business at 25 Mill Court, Kilburn SA 5084.

These financial statements include the Authority's direct operations and all entities through which the Authority controls resources to carry on its functions. In the process of reporting on the Authority as a single unit, all transactions and balances between activity areas and controlled entities have been eliminated.

Central Adelaide Waste and Recycling Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2026
Note 1 - MATERIAL ACCOUNTING POLICIES (con't)

3 Income recognition
The Authority recognises revenue under AASB 1058 *Income of Not-for-Profit Entities* (AASB 1058) or AASB 15 *Revenue from Contracts with Customers* (AASB 15) when appropriate. In cases where there is an 'enforceable' contract with a customer with 'sufficiently specific' performance obligations, the transaction is accounted for under AASB 15 where income is recognised when (or as) the performance obligations are satisfied (i.e. when it transfers control of a product or service to a customer). Revenue is measured based on the consideration to which the Authority expects to be entitled in a contract with a customer. In other cases, AASB 1058 applies when a not-for-profit (NFP) entity enters into transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives. The excess of the asset recognised (at fair value) over any 'related amounts' is recognised as income immediately, except in the case where a financial asset has been received to enable the Authority to acquire or construct a recognisable non-financial asset that is to be controlled by the Authority. In this case, the Authority recognises the excess as a liability that is recognised over time in profit and loss when (or as) the entity satisfies its obligations under the transfer.

4 Cash and Cash Equivalents
Cash Assets include all amounts readily convertible to cash on hand at the Authority's option with an insignificant risk of changes in value with a maturity of three months or less from the date of acquisition.

5 Other Financial Instruments
All receivables are reviewed as at the reporting date and adequate allowance made for amounts the receipt of which is considered doubtful.

All financial instruments are recognised at fair value at the date of recognition, except for trade receivables from a contract with a customer, which are measured at the transaction price. A detailed statement of the accounting policies applied to financial instruments forms part of Note 11.

Central Adelaide Waste and Recycling Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2026
Note 1 - MATERIAL ACCOUNTING POLICIES (con't)

6 Inventories
Inventories held in respect of business undertakings have been valued at the lower of cost and net realisable value.

7 Infrastructure, Property, Plant & Equipment

7.1 Initial Recognition
All assets are initially recognised at cost. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition.

All non-current assets purchased or constructed are capitalised as the expenditure is incurred and depreciated as soon as the asset is held "ready for use". Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including architects' fees and engineering design fees and all other costs incurred. The cost of non-current assets constructed by the Authority includes the cost of all materials used in construction, direct labour on the project and other overhead costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner by management.

Capital works still in progress at balance date are recognised as other non-current assets and transferred to infrastructure, property, plant & equipment when completed ready for use.

7.2 Materiality
Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds established by the Authority for each type of asset. In determining (and in annually reviewing) such thresholds, regard is had to the nature of the asset and its estimated service life.

Central Adelaide Waste and Recycling Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2026
Note 1 - MATERIAL ACCOUNTING POLICIES (con't)

7 Infrastructure, Property, Plant & Equipment (con't)

7.3 Subsequent Recognition
All material asset classes are revalued on a regular basis such that the carrying values are not materially different from fair value. For infrastructure and other asset classes where no active market exists, fair value is determined to be the current replacement cost of an asset less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset.

7.4 Depreciation of Non-Current Assets
Other than land, all infrastructure, property, plant and equipment assets recognised are systematically depreciated over their useful lives on a diminishing value basis which, in the opinion of the Authority, best reflects the consumption of the service potential embodied in those assets. Depreciation methods, useful lives and residual values of assets are reviewed annually.

7.5 Impairment
Assets that have an indefinite useful life are not subject to depreciation and are reviewed annually for impairment. Assets carried at fair value whose future economic benefits are not dependent on the ability to generate cash flows, and where the future economic benefits would be replaced if the Authority were deprived thereof, are not assessed for impairment.

Other assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount (which is the higher of the present value of future cash outflows or value in use).

Where an asset that has been revalued is subsequently impaired, the impairment is first offset against such amount as stands to the credit of that class of assets in Asset Revaluation Reserve, any excess being recognised as an expense.

8 Payables

8.1 Goods and Services
Creditors are amounts due to external parties for the supply of goods and services and are recognised as liabilities when the goods and services are received. Creditors are normally paid 30 days after the month of invoice. No interest is payable on these amounts.

Central Adelaide Waste and Recycling Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2026
Note 1 - MATERIAL ACCOUNTING POLICIES (con't)

9 Borrowings
Loans are carried at their principal amounts which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period to which it relates, and is recorded as part of "Payables".

10 Provisions

10.1 Employee benefits
Salaries, Wages & Compensated Absences
Liabilities for employees' entitlements to salaries, wages and compensated absences expected to be paid or settled within 12 months of reporting date are accrued at nominal amounts (including payroll based on-costs) measured in accordance with AASB 119.

The Authority makes employer superannuation contributions in respect of its employees.

No accrual is made for sick leave as the Authority experience indicates that, on average, sick leave taken in each reporting period is less than the entitlement accruing in that period, and this experience is expected to recur in future reporting periods. The Authority does not make payment for untaken sick leave.

11 Goods and Services Tax
In accordance with UIG Abstract 1031 "Accounting for the Goods & Services Tax"
- Receivables and Creditors include GST receivable and payable.
- Except in relation to input taxed activities, revenues and operating expenditures exclude GST receivable and payable.
- Non-current assets and capital expenditures include GST net of any recoupment.
- Amounts included in the Statement of Cash Flows are disclosed on a gross basis.

12 Comparative Information
When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current year.

13 Critical Accounting Estimates and Judgements
The Authority evaluates estimates and judgements incorporated into the financial report based on historical knowledge and best available current information.

Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Authority.

Accounts receivable are reviewed at each reporting date to establish the collectability.

Central Adelaide Waste and Recycling Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2026
Note 2 - INCOME

	Notes	2026 $	2025 $
OPERATIONAL INCOME			
Kerbside recyclables		5,529,953	5,249,274
Net Commodity Sales		484,101	517,607
Site Usage		470,370	475,786
Other income		1,029,979	694,737
		7,514,403	**6,937,404**
INVESTMENT INCOME			
Interest on investments:			
Banks & other		16	13
		16	**13**
REIMBURSEMENTS			
- for council costs		627,092	-
		627,092	**-**
GRANTS, SUBSIDIES AND CONTRIBUTIONS			
Amounts received specifically for new or upgraded assets		-	439,499
Other grants, subsidies and contributions - Operating		59,415	-
		59,415	**439,499**
Sources of grants			
State government		59,415	129,500
Other		-	500,000
		59,415	**629,500**

Conditions over grants & contributions
Grants and contributions which were obtained on the condition that they be expended for specified purposes or in a future period, but which are not yet expended in accordance with those conditions, and are required to be repaid to the funding body if not expended.

Central Adelaide Waste and Recycling Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2026
Note 3 - EXPENSES

	Notes	2026 $	2025 $
EMPLOYEE COSTS			
Salaries and wages		211,981	184,616
Employee leave expense		34,510	41,808
Workers' Compensation Insurance		4,193	-
Total Operating Employee Costs		**250,684**	**226,424**
Total Number of Employees		*1*	*1*
(Full time equivalent at end of reporting period)			
OTHER MATERIALS, CONTRACTS, & EXPENSES			
Prescribed Expenses			
Auditor's Remuneration			
- Auditing the financial reports		15,227	16,370
Bad and Doubtful Debts		92,115	-
Subtotal - Prescribed Expenses		**107,342**	**16,370**
Other Materials, Contracts & Expenses			
Consulting fees		752,541	566,549
Computer expenses		17,138	14,151
Fees & permits		11,576	17,607
Fringe benefits tax		9,556	5,707
Insurance		304,235	393,134
Legal expenses		13,514	10,965
Maintenance		20,339	9,567
Operator costs		6,746,287	6,452,603
Rates & taxes		22,286	17,195
Sitting fees		43,815	32,685
Subscriptions		14,365	10,728
Sundry		80,163	67,211
Travel		946	11,362
Subtotal - Other Materials, Contracts & Expenses		**8,036,761**	**7,609,464**
		8,144,103	**7,625,834**

Central Adelaide Waste and Recycling Authority

Notes to and forming part of the Financial Statements

for the year ended 30 June 2026

Note 3 - EXPENSES (con't)

	Notes	2026 $	2025 $
DEPRECIATION, AMORTISATION & IMPAIRMENT			
Depreciation			
Plant, machinery & equipment		1,463,304	1,466,942
Office equipment, furniture & fittings		10,059	10,502
		1,473,363	**1,477,444**
FINANCE COSTS			
Interest on loans		1,547,444	1,545,859
		1,547,444	**1,545,859**

Central Adelaide Waste and Recycling Authority

Notes to and forming part of the Financial Statements

for the year ended 30 June 2026

Note 4 - CURRENT ASSETS

	Notes	2026 $	2025 $
CASH & EQUIVALENT ASSETS			
Cash on hand and at bank		253,965	777,775
		253,965	**777,775**
TRADE & OTHER RECEIVABLES			
Accounts receivable - general		522,368	206,279
Less: Provision for doubtful debts		(92,115)	-
Accrued income		702,529	478,648
GST recoupment		16,218	15,870
Prepayments		5,394	131,351
		1,154,394	**832,148**
INVENTORIES			
Stores & materials		475,615	367,662
Trading stock		10,356	10,356
		485,971	**378,018**

Central Adelaide Waste and Recycling Authority

Notes to and forming part of the Financial Statements

for the year ended 30 June 2026

Note 5 - NON-CURRENT ASSETS

	Notes	2026 $	2025 $
OTHER NON-CURRENT ASSETS			
Capital works-in-progress		147,304	166,921
		147,304	**166,921**

Central Adelaide Waste and Recycling Authority

Notes to and forming part of the Financial Statements

for the year ended 30 June 2026

Note 6 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT (IPP&E)

	Fair Value Level	2025 Fair Value	2025 Cost	2025 Acc' Dep'n	2025 Carrying Amount	2026 Fair Value	2026 Cost	2026 Acc' Dep'n	2026 Carrying Amount
Land		-	1,091,863	-	1,091,863	-	1,091,863	-	1,091,863
Computer Equipment		-	33,423	(31,777)	1,646	-	42,753	(35,905)	6,848
Office Equipment		-	59,244	(32,644)	26,600	-	59,244	(38,575)	20,669
Infrastructure		-	-	-	-	-	-	-	-
- Materials Recovery Facility	3	26,185,000	-	(5,126,274)	21,058,726	26,185,000	-	(6,321,318)	19,863,682
Property Improvements		-	12,295,989	(1,054,994)	11,240,995	-	12,708,591	(1,317,688)	11,390,903
Motor Vehicle		-	44,945	(26,398)	18,547	-	44,945	(31,962)	12,983
Total IPP&E		**26,185,000**	**13,525,464**	**(6,272,087)**	**33,438,377**	**26,185,000**	**13,947,396**	**(7,745,448)**	**32,386,948**
Comparatives		***26,185,000***	***12,966,333***	***(5,398,628)***	***33,752,705***	***26,185,000***	***13,525,464***	***(6,272,087)***	***33,438,377***

	2025 Carrying amount	Additions New/Upgrade	Additions Renewals	Disposals	Depreciation	Opening Balance Adjustment	Net Revaluation	2026 Carrying Amount
Land	1,091,863	-	-	-	-	-	-	1,091,863
Computer Equipment	1,646	9,330	-	-	(4,128)	-	-	6,848
Office Equipment	26,600	-	-	-	(5,931)	-	-	20,669
Infrastructure	-	-	-	-	-	-	-	-
- Materials Recovery Facility	21,058,726	-	-	-	(1,195,044)	-	-	19,863,682
Property Improvements	11,240,995	412,602	-	-	(262,694)	-	-	11,390,903
Motor Vehicle	18,547	-	-	-	(5,564)	-	-	12,983
Total IPP&E	**33,438,377**	**421,932**	**-**	**-**	**(1,473,362)**	**-**	**-**	**32,386,948**
Comparatives	***33,752,705***	***559,131***	**-**	**-**	***(1,477,444)***	***603,985***	**-**	***33,438,377***

General Valuation Principles - Accounting & Fair value hierarchy level 3 valuations of infrastructure

Upon revaluation using the gross current replacement cost method. The current new replacement cost and accumulated depreciation are re-stated such that the difference represents the fair value of the asset determined in accordance with AASB 13 Fair Value Measurement: accumulated depreciation is taken to be the difference between current new replacement cost and fair value.

Infrastructure

Infrastructure assets are valued based on the current replacement cost of these assets. The current replacement cost is comprised by the gross replacement cost (based on estimated costs for which a substitute asset with similar service potential, physical characteristics, dimensions, depth and environmental parameters could be constructed) and accumulated depreciation (based on estimated total and remaining useful lives informed by the condition assessment of the asset, and the planned asset management strategy applicable to the asset). Dates of last review are detailed below.

Materials Recovery Facility

Date of valuation: 30 June 2024
Valuer: Independently reviewed and certified by Shane Welsh, AAPI, Certified Practising Valuer (P&M)

Central Adelaide Waste and Recycling Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2026
Note 7 - LIABILITIES

		2026 $		2025 $	
TRADE & OTHER PAYABLES	**Notes**	**Current**	**Non-current**	**Current**	**Non-current**
Accrued expenses - Other		871,868	-	824,515	-
Accounts payable - General		1,028,301	-	881,012	-
Other payables		11,408	-	11,273	-
		1,911,577	-	**1,716,800**	-

Amounts included in trade & other payables that are not expected to be settled within 12 months of reporting date.

BORROWINGS					
Corporate credit cards		-	-	46	-
Loans		-	30,272,836	3,550,000	24,881,016
		-	**30,272,836**	**3,550,046**	**24,881,016**

All interest bearing liabilities are secured over the future revenues of the Authority.

PROVISIONS					
Employee entitlements - Annual leave		4,801	-	4,134	-
Employee entitlements - Long service leave		81,915	-	69,123	-
		86,716	-	**73,257**	-

Amounts included in provisions that are not expected to be settled within 12 months of reporting date.

Movements in Provisions - 2026 year only *(current & non-current)*	*Employee entitlements - Annual Leave*	*Employee entitlements - Long Service Leave*
Opening Balance	*4,134*	*69,123*
Add Additional amounts recognised	*17,560*	*16,950*
(Less) Payments	*(16,893)*	*(4,158)*
Closing Balance	*4,801*	*81,915*

Central Adelaide Waste and Recycling Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2026
Note 8 - RESERVES

ASSET REVALUATION RESERVE	**Notes**	**2025**	Net Increments (Decrements)	Transfers, Impairments	**2026**
Infrastructure					
- Materials Recovery Facility	6	9,437,393	-	-	9,437,393
TOTAL		**9,437,393**	**-**	**-**	**9,437,393**
	Comparatives	**9,437,393**	**-**	**-**	**9,437,393**

PURPOSES OF RESERVES

Asset Revaluation Reserve

The asset revaluation reserve is used to record increments and decrements arising from changes in fair value of non-current assets (less any subsequent impairment losses, where applicable).

Central Adelaide Waste and Recycling Authority

Notes to and forming part of the Financial Statements

for the year ended 30 June 2026

Note 9 - RECONCILIATION TO CASH FLOW STATEMENT

(a) Reconciliation of Cash

Cash Assets comprise highly liquid investments with short periods to maturity subject to insignificant risk of changes of value. Cash at the end of the reporting period as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:

	Notes	2026 $	2025 $
Total cash & equivalent assets	4	253,965	777,775
Balances per Cash Flow Statement		**253,965**	**777,775**

(b) Reconciliation of Change in Net Assets to Cash from Operating Activities

Net Surplus (Deficit)	(3,214,668)	(3,498,645)
Non-cash items in Income Statement		
Depreciation, amortisation & impairment	1,473,363	1,477,444
Grants for capital acquisitions treated as investing activity	-	(439,499)
	(1,741,305)	(2,460,700)
Add (Less): Changes in Net Current Assets		
Net (increase) decrease in receivables	(540,318)	(22,176)
Net (increase) decrease in inventories	(107,953)	(27,602)
Net (increase) decrease in prepayments	125,957	(1,622)
Net (increase) decrease in other assets	40,231	-
Net increase (decrease) in payables	194,777	(209,565)
Net increase (decrease) in other provisions	13,459	73,257
Net increase (decrease) in other liabilities	(46)	33
Net Cash provided by (or used in) operations	**(2,015,198)**	**(2,648,375)**

Central Adelaide Waste and Recycling Authority

Notes to and forming part of the Financial Statements

for the year ended 30 June 2026

Note 10 - CAPITAL CONTRIBUTIONS OF CONSTITUENT COUNCILS

	Notes	2026 $	2025 $
City of Charles Sturt Movement Table			
Opening balance		1,297,277	1,297,277
Contributions		-	-
Closing Balance		**1,297,277**	**1,297,277**
City of Port Adelaide Enfield Movement Table			
Opening balance		1,297,277	1,297,277
Contributions		-	-
Closing Balance		**1,297,277**	**1,297,277**

Central Adelaide Waste and Recycling Authority

Notes to and forming part of the Financial Statements

for the year ended 30 June 2026

Note 11 - FINANCIAL INSTRUMENTS

All financial instruments are categorised as *loans and receivables.*

Accounting Policies - Recognised Financial Instruments

Bank, Deposits at Call, Short Term Deposits	**Accounting Policy:** initially recognised at fair value and subsequently measured at amortised cost if required, interest is recognised when earned. **Terms & conditions:** Deposits are returning variable interest rates of 0.01% (2025: 0.01%). **Carrying amount:** approximates fair value due to short term maturity.
Receivables - Fees & other charges	**Accounting Policy:** Trade receivables are initially recognised at the transactions price and subsequently measured at amortised cost if required. An impairment provision is recognised using the expected credit loss method. **Terms & conditions:** Unsecured, and do not bear interest. Although Authority is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Authority's boundaries.
Liabilities - Creditors and Accruals	**Accounting Policy:** Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Authority. **Terms & conditions:** Liabilities are normally settled on 30 day terms. **Carrying amount:** approximates fair value.
Liabilities - Interest Bearing Borrowings	**Accounting Policy:** initially recognised at fair value and subsequently at amortised cost if required, interest is charged as an expense using the effective interest rate. **Terms & conditions:** secured over future revenues, borrowings are repayable in October 2030 for Loan Facility Agreement No.1; in August 2028 for Loan Facility Agreement No.2, in June 2028 for Loan Facility Agreement No 4, and in September 2028 for Facility Agreement No 5; interest is charged at variable rates between 3.9% and 5.85%.(2025: 5.50% and 6.15%) **Carrying amount:** approximates fair value.

Central Adelaide Waste and Recycling Authority

Notes to and forming part of the Financial Statements

for the year ended 30 June 2026

Note 11 - FINANCIAL INSTRUMENTS (con't)

Liquidity Analysis

2026

	Due < 1 year	Due > 1 year ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Financial Assets	$	$	$	$	$
Cash & Cash Equivalents	253,965	-	-	253,965	253,965
Receivables	1,154,394	-	-	1,154,394	1,154,394
Total	**1,408,359**	-	-	**1,408,359**	**1,408,359**
Financial Liabilities					
Payables	1,911,577	-	-	1,911,577	1,911,577
Non-Current Borrowings	-	30,272,836	-	30,272,836	30,272,836
Total	**1,911,577**	**30,272,836**	-	**32,184,413**	**32,184,413**

2025

	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Financial Assets	$	$	$	$	$
Cash & Cash Equivalents	777,775	-	-	777,775	777,775
Receivables	832,148	-	-	832,148	832,148
Total	**1,609,923**	-	-	**1,609,923**	**1,609,923**
Financial Liabilities					
Payables	1,716,800	-	-	1,716,800	1,716,800
Current Borrowings	3,550,046	-	-	3,550,046	3,550,046
Non-Current Borrowings	-	2,000,000	22,881,016	24,881,016	24,881,016
Total	**5,266,846**	**2,000,000**	**22,881,016**	**30,147,862**	**30,147,862**

The following interest rates were applicable to the Authority's borrowings at balance date:

	2026		2025	
	Weighted Average Interest Rate	Carrying Value	Weighted Average Interest Rate	Carrying Value
	%	$	%	$
Variable Interest Rates	5.38%	30,272,836	5.98%	28,431,062
		30,272,836		**28,431,062**

Central Adelaide Waste and Recycling Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2026
Note 11 - FINANCIAL INSTRUMENTS (con't)

Net Fair Value

All carrying values approximate fair value for all recognised financial instruments. There is no recognised market for the financial assets of the Authority.

Risk Exposures:

Credit Risk represents the loss that would be recognised if counterparties fail to perform as contracted. The maximum credit risk on financial assets of the Authority is the carrying amount, net of any impairment. All Authority investments are made with the SA Local Government Finance Authority and are guaranteed by the SA Government. Except as detailed in Note 4 in relation to individual classes of receivables, exposure is concentrated within the Authority's boundaries, and there is no material exposure to any individual debtor.

Market Risk is the risk that fair values of financial assets will fluctuate as a result of changes in market prices. All of Authority's financial assets are denominated in Australian dollars and are not traded on any market, and hence neither market risk nor currency risk apply.

Liquidity Risk is the risk that Authority will encounter difficulty in meeting obligations with financial liabilities. In accordance with the model Treasury Management Policy (LGA Information Paper 15), liabilities have a range of maturity dates. The Authority also has available a borrowing facility it can access. Further support is available from the Constituent Councils via additional council contributions.

Interest Rate Risk is the risk that future cash flows will fluctuate because of changes in market interest rates. The Authority has variable interest rate borrowings. Cash flow fluctuations are managed holistically in seeking to minimise interest costs over the longer term in a risk averse manner.

Central Adelaide Waste and Recycling Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2026
Note 12 - CAPITAL EXPENDITURE COMMITMENTS

	Notes	2026 $	2025 $
Capital Commitments			
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:			
		-	-

Central Adelaide Waste and Recycling Authority

Notes to and forming part of the Financial Statements

for the year ended 30 June 2026

Note 13 - FINANCIAL INDICATORS

	2026	2025	2024
Operating Surplus Ratio			
Operating Deficit / Total Operating Income	-39%	-57%	-68%

This ratio expresses the operating surplus (deficit) as a percentage of total operating revenue.

Net Financial Liabilities Ratio			
Net Financial Liabilities / Total Operating Income	376%	412%	403%

Net Financial Liabilities are defined as total liabilities less financial assets. These are expressed as a percentage of total operating revenue.

Central Adelaide Waste and Recycling Authority

Notes to and forming part of the Financial Statements

for the year ended 30 June 2026

Note 14 - UNIFORM PRESENTATION OF FINANCES

The following is a high-level summary of both operating and capital investment activities of the Authority prepared on a simplified Uniform Presentation Framework basis.

All Councils in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis.

The Key Management Personnel of the Authority include the Chair of the Board, the Board and the Chief Executive Officer.

	2026 $	2025 $
Income		
Kerbside recyclables	5,529,953	5,249,274
Net commodity sales	484,101	517,607
Site usage	470,370	475,786
Grants, subsidies and contributions - Operating	59,415	-
Investment income	16	13
Reimbursements	627,092	-
Other income	1,029,979	694,737
	8,200,926	**6,937,417**
Expenses		
Employee costs	250,684	226,424
Materials, contracts & other expenses	8,144,103	7,625,834
Depreciation, amortisation & impairment	1,473,363	1,477,444
Finance costs	1,547,444	1,545,859
	(11,415,594)	(10,875,561)
Operating Surplus / (Deficit)	(3,214,668)	(3,938,144)
Net Outlays on Existing Assets		
Add back depreciation, amortisation and impairment	1,473,363	1,477,444
	1,473,363	**1,477,444**
Net Outlays on New and Upgraded Assets		
Capital expenditure on new and upgraded assets *(including investment property & real estate developments)*	(442,548)	(533,615)
Amounts received specifically for new and upgraded assets	-	382,460
	(442,548)	(151,155)
Adjusted Annual Net Impact to Financing Activities (surplus/(deficit))	(2,183,853)	(2,611,855)

Central Adelaide Waste and Recycling Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2026
NOTE 15 - CONTINGENT ASSETS & CONTINGENT LIABILITIES

The Authority has reviewed all known events and conditions as at the reporting date of 30 June 2026 and have no contingent assets or liabilities that require disclosure under AASB 137.

Central Adelaide Waste and Recycling Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2026
NOTE 16 - EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE

Events that occur after the reporting date of 30 June 2026, up to and including the date when the financial statements are authorised for issue have been taken into account in preparing these statements.

The Authority has adopted the date of receipt of the Auditors' Report as the appropriate authorised for issue date relating to these Financial Statements.

The Authority is unaware of any material or significant adjusting events that require disclosure in these financial statements.

Central Adelaide Waste and Recycling Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2026
Note 17 - RELATED PARTY DISCLOSURES

KEY MANAGEMENT PERSONNEL

The Key Management Personnel of the Authority include the Chair of the Board, the Board and the Chief Executive Officer.

The Authority also made payments during the year to directors for director fees.

Total payments to Key Management Personnel during the year ended 30 June 2026 were $286,403 (2025: $256,247)

CONSTITUENT COUNCILS

Amounts paid or payable to City of Charles Sturt during the year ended 30 June 2026 were $281,434 (2025: $199,771) inclusive of GST.

Amounts paid or payable to City of Port Adelaide Enfield during the year ended 30 June 2026 were $390,425 (2025: $231,535) inclusive of GST.

Amounts received or receivable from the City of Charles Sturt during the year ended 30 June 2026 were $2,599,460 (2025: $1,731,478) inclusive of GST.

Amounts received or receivable from the City of Port Adelaide Enfield during the year ended 30 June 2026 $2,650,930 (2025: $1,797,021) inclusive of GST.

Central Adelaide Waste and Recycling Authority

CERTIFICATION OF AUDITOR INDEPENDENCE
for the year ended 30 June 2026

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of the Central Adelaide Waste and Recycling Authority for the year ended 30 June 2026, the Auditor, Dean Newbery Pty Ltd, has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Loca Government (Financial Management) 2011* made under that act.

This statement is prepared in accordance with the requirements of Regulation 22(3)(b) *Local Government (Financial Management) Regulations 2011.*

Peter Brass
Chair of Audit & Risk Committee - CAWRA
Date: 2/10/2026

Leah Maxwell
Chief Executive Officer - CAWRA
Date: 6/10/2026

APPENDIX 3: AUDIT & RISK COMMITTEE ANNUAL REPORT 2025/26

INTRODUCTION

The Audit and Risk Committee reports to Council and is a critical component of the Council's governance and risk framework. The Audit and Risk Committee is established in accordance with Section 126 of the Local Government Act 1999.

To satisfy the requirements of Section 126(9) of the Act which states that an audit and risk committee must ensure that an Annual Report is provided to Council and is included in the Council's Annual Report, this report provides an overview of the Audit and Risk Committee's operations for 2025/26.

PRIMARY OBJECTIVES

The Act sets out the functions of an Audit and Risk Committee as per the Act are as follows:

- Reviewing annual financial statements to ensure that they present fairly the state of affairs of the council;
- Proposing, and providing information relevant to, a review of the council's strategic management plans or annual business plan;
- Monitoring the responsiveness of the council to recommendations for improvement based on previous audits and risk assessments, including those raised by a council's auditor;
- Proposing, and reviewing, the exercise of powers under section 130A;
- Liaising with the council's auditor;
- Reviewing the adequacy of the accounting, internal control, reporting and other financial management systems and practices of the council on a regular basis;
- Providing oversight of planning and scoping of the internal audit work plan and reviewing and commenting on reports provided by the person primarily responsible for the internal audit function at least on a quarterly basis;
- Reviewing and evaluating the effectiveness of policies, systems and procedures established and maintained for the identification, assessment, monitoring, management and review of strategic, financial and operational risks on a regular basis;
- Reviewing any report obtained by the council under section 48(1)

In addition, the Council and Committee's Membership and Terms of Reference (TOR) outlines the purpose of the Audit and Risk Committee is to provide independent assurance and advice to the Council on accounting, financial management, internal controls, risk management and governance matters.

Within Council's Three Lines of Defence model, the Audit and Risk Committee forms part of the third line of independent assurance and oversight function, supported by Council's Internal and External Auditors in fulfilling its role of providing independent assurance and advice to Council.

Further information regarding the roles and responsibilities of the Committee are contained in the Terms of Reference, which is available on the Council's website.

MEMBERSHIP AND ATTENDANCE

The current structure of the Committee was endorsed by the Council in November 2024.

For the period 1 July 2025 to 30 June 2026, the composition of the Committee has been three Independent Members and two Council Members to satisfy Section 126(2)(a) which states the majority of members of an Audit and Risk Committee must be persons who are not members of any Council.

Council Member representation can change every two years in line with the TOR. The TOR also sets out that the Presiding Member and Deputy Presiding Member will be appointed by Council from all current Members of the Committee. The current Presiding Member is Councillor Nicholas Le Lacheur, and the Deputy Presiding Member is Councillor Senthil Chidambaranathan, as appointed by Council from 1 December 2024 until 13 November 2026.

The Committee met on five occasions within the reporting period, which satisfies Section 126(5) of the Act which states that there must be at least one meeting of the Committee within each quarter. Within this time period, the Committee considered 40 business reports aligned to the functions and responsibilities of the Committee as outlined within the TOR and as set out with the annual workplan. This included hearing one business report in confidence under the provisions of Section 90(3)(e) of the Local Government Act 1999.

Meeting Date	Councillor Nicholas Le Lacheur (Chair) 1/12/24 to 13 /11/26	Councillor Senthil Chidambaranathan (Deputy Chair) 12/12/23 to 13/11/26	Mr Peter Brass 16/09/03 to 13/11/26	Mr Sam Spadavecchia 24/02/20 to 13/11/26	Ms Tracie Dawber 30/11/23 to 13/11/26
23 July 2025	-	✓	✓	✓	✓
22 October 2025	✓	✓	✓	✓	✓
2 February 2026	✓	✓	✓	✓	✓
25 February 2026	✓	-	✓	✓	✓
28 April 2026	✓	-	✓	✓	✓

WORKPLAN

The Audit and Risk Committee Workplan is developed in line with Council's TOR to ensure that the core functions of the Committee are being met.

The Workplan is endorsed by the Committee at its last meeting each calendar year and is then reported on quarterly to provide transparent assurance that the Committee is fulfilling its legislative responsibilities.

Matters considered by the Committee for the reporting period 2025/26 are summarised below.

External Audit

External Audit Services Contract	Outlined the outcomes of the open tender process undertaken for the provision of External Audit services and sought approval to appoint a new External Auditor for a five-year term following the conclusion of the current contract.
Financial External Audit Workplan	Presented the 2025/26 External Audit Plan prepared by Bentleys SA and NT, Council's appointed external auditor, for consideration by the Audit and Risk Committee. The plan outlined the proposed audit scope, methodology, key risk areas and timetable for the audit of Council's financial statements and internal controls for the year ending 30 June 2026. It was developed in accordance with legislative requirements and aligned with the external audit engagement, supporting the Committee's oversight responsibilities.

Financial Management

Financial Year 2025/2026 Insurance Program Update	Provided the Audit and Risk Committee with an update on the 2025/2026 insurance program.
Year End Audited Financial Statements June 2025	Presented the Audit and Risk Committee with the Audited Financial Statements for the 2024/25 financial year.
Annual Report and Year End Audited Financial Statements 2024/25 - Central Adelaide Waste and Recycling Authority (CAWRA)	Presented the Audit and Risk Committee with the Annual Report and Audited Financial Statements for the Central Adelaide Waste and Recycling Authority (CAWRA) for endorsement and inclusion in the City of Charles Sturt's Annual Report 2024/25.
Presentation and Report - Review of Long Term Financial Plan, Assumptions and Budget Development 2026/27	Reviewed the updated Long Term Financial Plan (LTFP) budget development assumptions, expenditure and total rating scenarios, which provided the framework for the development of the 2026/27 Annual Budget and were used to assess ongoing financial sustainability.
Better Practice Model - Internal Financial Controls – Self-Assessment Report	Presented the results of the Better Practice Model – Internal Financial Controls self-assessment, which was undertaken from February to April 2026.
Quarterly Budget Review – March 2026	Presented the regular quarterly financial report for the 2025/26 financial year for the quarter ending March 2026. The report highlighted key variances, capital and operating project progress, and the status of cash flow and borrowings.
End of Quarter Financial Report – December 2025	Presented the regular quarterly financial report for the 2025/26 financial year for the quarter ending December 2025. The report highlighted key variances, capital and operating project progress, and the status of cash flow and borrowings.

Risk Management

Quarterly Risk Update	Provided the Audit and Risk Committee with oversight of the current status of Council's extreme and high residual organisational risks.
Organisational Risks - High	Provided the Audit and Risk Committee with oversight of the current status of Council's high organisational risks.

Internal Audit

Internal Audit Report and Presentation – Work Health and Safety (WHS) Operational Model Review	Presented the findings of the WHS Operational Model Review Internal Audit undertaken by KPMG. The audit assessed Council's WHS governance, resourcing, systems and capability, identifying key strengths alongside opportunities to improve efficiency, clarify responsibilities and optimise systems. Management actions were progressed to address the findings, including the development of a WHS reporting dashboard, which was presented as part of the report.
Internal Audit Workplan Status Update (Quarterly)	Provided the Audit and Risk Committee with a progress update on the 2025/26 Internal Audit Workplan and the status of previous Internal Audit actions.
Outstanding Internal Audit Actions	Provided the Audit and Risk Committee with an update on the status of all actions completed during the reporting period and the progress of outstanding actions from previous internal audits.

CEO Annual Report on Internal Audit Process	Provided the Audit and Risk Committee with an annual overview of Council's Internal Audit processes, in accordance with the requirements of the Local Government Act 1999.
Status Update for all Outstanding Internal Audit Actions	Provided the Audit and Risk Committee with an update on the status of all completed and outstanding actions arising from previous internal audits.
Draft Internal Audit Plan FY26-FY28	KPMG was appointed to deliver Council's Internal Audit Program for the following three years in collaboration with the City of Marion and the City of Port Adelaide Enfield. The report provided an update and presented the Draft Internal Audit Plan for the Committee's consideration and feedback.
Internal Audit Report – Internal Financial Controls	Presented the City of Charles Sturt Internal Financial Controls Audit Report to the Audit and Risk Committee.
Internal Audit Report – Business Continuity Plan Review	Presented the City of Charles Sturt Internal Audit Business Continuity Plan Review Report to the Audit and Risk Committee

Other Matters Considered

Audit and Risk Committee 2026 Workplan Update (Quarterly)	Provided the Audit and Risk Committee with an update on the 2026 Audit and Risk Committee Workplan and progress against scheduled activities.
Section 48 Prudential Report – Grange Bowling Club Acquisition	Presented the draft Section 48 Prudential Review Report to satisfy the requirements of Section 48 of the Local Government Act 1999, which requires Council to obtain and consider a prudential report before engaging in any project with an expected capital cost exceeding $4 million (indexed) over a five-year period. The report related to the proposed acquisition and amalgamation of the Grange Bowling Club, with a total financial commitment of $5.7 million (excluding GST), and was presented to the Audit and Risk Committee for review prior to formal consideration by Council.
Biennial Audit and Risk Committee Performance Review and Review of Terms of Reference	Presented the biennial review of the Audit and Risk Committee's performance, as required by the Council and Committees Membership and Terms of Reference. The review assessed the effectiveness of the Committee and provided an opportunity to recommend any changes to the Terms of Reference to further enhance its performance.
Annual Audit and Risk Committee Performance Review 2024/25 Results	Presented the findings of the Annual Performance Review survey, which assessed the effectiveness of the Audit and Risk Committee and captured Committee Members' feedback on recommended business improvements and efficiencies within the scope of the Committee's responsibilities.
Draft Audit and Risk Committee Annual Report to Council	Presented the draft Audit and Risk Committee Annual Report to provide the Committee with an opportunity to review and provide feedback prior to finalisation. The report fulfilled the requirements of the Local Government Act 1999, which requires the Audit and Risk Committee to provide an annual report to Council outlining the business undertaken during the previous twelve months.
Audit and Risk Committee Annual Report to Council	Presented the Audit and Risk Committee Annual Report following amendments to the Local Government Act 1999, which require the Committee to prepare an annual report to Council outlining the business undertaken during the previous twelve months. The annual report was subsequently approved by Council and included in the Council's Annual Report for the relevant financial year.
Presentation – Cyber Security Update	Provided the Audit and Risk Committee with an update on the progress of implemented and planned cyber security strategies to ensure that identified risks were addressed across current and future environments.
Confidential Session – Audit and Risk Committee and Council Auditors	The Audit and Risk Committee were provided the opportunity for an in-camera session in accordance with the requirements of the Local Government Act 1999 and Regulations, which require the Committee to have the opportunity to liaise with Council's auditors on a confidential basis at least once each year. The session excluded the public and staff to facilitate a confidential discussion between the Committee and Council's auditors.
Artificial Intelligence (AI) Update	Provided the Audit and Risk Committee with an update on the City of Charles Sturt's use of

	Artificial Intelligence (AI), including productivity tools, governance maturity, partnership opportunities and Microsoft AI readiness.
Presentation and Report – Artificial Intelligence (AI) Update	Provided the Audit and Risk Committee with an update on the usage, governance, security and future direction of Artificial Intelligence (AI) within Council.
Business Continuity Plan – Presentation and Report	Provided the Audit and Risk Committee with an update on the Business Continuity Plan (BCP).

INTERACTION WITH COUNCIL'S AUDITORS

Throughout the reporting period the Audit and Risk Committee have ongoing opportunity to receive independent and expert advice from Council's External Financial Auditor, Galpins (Bentleys from March 2026) and Council's Internal Auditor, KPMG, who attend each Committee Meeting.

In addition, the Committee are provided with at least one opportunity each year to discuss matters in confidence with both the External and Internal Auditors.

COMMITTEE SELF-PERFORMANCE REVIEW

The TOR requires that the Audit and Risk Committee shall biennially review its own performance to assess the effectiveness of the Committee. The review provides opportunity for the Committee to also make recommendations to Council on any changes to the Terms of Reference that may be required to improve its performance.

The assessment tool used to gauge the Committee's performance is based on the model template self-assessment tool that forms part of the Local Government Associations Information Paper 3 – Audit and Risk Committees.

The self-assessment tool consists of 6 focus areas, with multiple criteria under each:

- Committee Members and Meetings
- Committee Planning and Reporting
- External Audit
- Internal Audit
- Risk Management, Internal Control, Financial Management, Strategic Planning and Reporting
- Other Relevant Matters

The Audit and Risk Committee conducted its last performance review in July 2025, with the next review scheduled to be conducted in 2027 following the Local Government Elections and re/appointment of Committee Members.

TRAINING AND DEVELOPMENT OPPORTUNITIES

Within this reporting period, there have been no training and development opportunities offered to Committee Members that specifically relate to the functions of the Committee.
The following training and development/or conferences were attended by Committee Members that relate more to the broader functions of Council Members, that also provide benefit to the Committee:

Councillor Nicholas Le Lacheur	Beyond Compliance 2026: Audit and Risk Chairs Forum
Councillor Senthil Chidambaranathan	Nil
Peter Brass	Beyond Compliance 2026: Audit and Risk Chairs Forum
Sam Spadavecchia	Nil
Tracie Dawber	Nil

In conclusion, this report demonstrates that the Committee has fulfilled its primary functions as outlined in Section 126(4) of the Act, which include:

- Reviewing annual financial statements to ensure they accurately represent the Council's state of affairs
- Liaising with the Council's Internal and External Auditors
- Reviewing risk management systems and processes across the Council
- Reviewing and commenting on reports provided by the person primarily responsible for the internal audit function at least on a quarterly basis

The Audit and Risk Committee's Workplan is constantly evolving to ensure its contributions align with the Council's strategic objectives.



Councillor Nicholas Le Lacheur
Presiding Member on behalf of the Audit and Risk Committee
30 September 2026

APPENDIX 4: ESCOSA REPORT

Advice

Local Government Advice

City of Charles Sturt

February 2025

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.

City of Charles Sturt
AT A GLANCE

OVERVIEW

The Essential Services Commission finds the City of Charles Sturt's current and projected financial performance **mostly sustainable,** noting that annual Long-Term Financial Plans do not fully reflect current asset values and the Council forecasts average growth in operating expenses per property of 2.1 percent per annum over the next 10 years, without showing how it will achieve cost growth below inflation. Rectification of these issues will improve transparency and confidence in the long-term sustainability of this well-managed council.

FINANCIAL PERFORMANCE



Past 10 years
Sustainable



Current
Sustainable



Projected
Mostly Sustainable

RISKS IMPACTING SUSTAINABILITY

⚠ Not appropriately sequencing the asset management plan updates to ensure that the long-term financial plan is informed by current values (including for updated asset valuations and depreciation projections).

⚠ The outcomes of planned cost savings targets and productivity improvements not being reported and possibly not achieved.

⚠ The expansion or acceleration of new services and the development of new assets, which may increase affordability risk for ratepayers.

KEY FACTS

- ▶ Population in 2023 was **127,440** (1) residents
- ▶ Council covers **54.8 square kilometres** (1)
- ▶ **61,545** rateable properties in 2022-23 (2)
- ▶ **$119.3 million of rates income** in 2022-23 (2)
- ▶ Value of assets held in 2022-23 equals **$1,579.0 million** (2)

Source: (1) Australian Bureau of Statistics, *Data by region*, available at https://dbr.abs.gov.au/ (2) The Council's Financial Reporting Template provided to the Commission.

OFFICIAL

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1 Executive summary

1.1 Summary of observations

In general, the Essential Services Commission of South Australia finds the City of Charles Sturt's current financial performance and position sustainable. Over the last 10 years, the City of Charles Sturt has consistently run operating surpluses, indicating that the operating income it collects generally exceeds its operating expenses by a moderate margin.

The City of Charles Sturt has demonstrated some constraint in its budgeting, with a target operating surplus ratio of between 2.5 percent and 5.0 percent per annum over the next 10 years, and it is not considered to be accumulating excessive surpluses. At the same time, it is budgeting off a higher cost base but is aiming to maintain average rate levels consistent with long-term inflation expectations.[1] To assist in achieving this, the Essential Services Commission considers that the City of Charles Sturt should improve the disclosure (and quantification) of its cost savings or outcomes of productivity targets. Further, its average residential rates are broadly consistent with similar councils, and the socio-economic ranking for the community is also considered average among South Australian councils, suggesting that the community's capacity to pay for higher rates might be more limited than in other communities.

Community service levels appear to have been maintained, largely through the City of Charles Sturt's focus on renewing its asset base, while it has also been adding to its asset base, with an accompanied expansion of service levels through investment in new projects and initiatives.

The City of Charles Sturt's strategic planning processes appear robust and well developed. There is, however, potential risk to the Council's sustainability (compared to the projections presented in the Essential Service Commission's Advice) as several updates to the infrastructure and asset management plan and material asset revaluations were carried out after the Council's long-term financial plan was reviewed in February 2024. This may necessitate material changes to subsequent long-term financial plans that result in higher rate increases, in the absence of cost reductions and/or slowing the provision of new assets or asset upgrades.[2]

The Essential Services Commission notes the City of Charles Sturt's current good practice of consulting with stakeholders and its community on its strategic management plans and recommends that it continues to understand the community's preferences on service provision, service levels and funding appetite. A summary of the Commission's recommendations is provided below.

1 The forecast average annual growth in the CPI from 2024-25 to 2033-34 is estimated to be 2.6 percent based on the RBA forecasts for the CPI (Australia-wide) to December 2026 (and the Commission's calculations of average annual percentage growth) and the midpoint of the RBA's target range (2.5 percent) from 2026-27.

2 For example, if significant asset revaluations are needed to accurately reflect forward looking asset costs, the Council's LTFP may be unsustainable, based upon the Council seeking to keep the same asset stock and provide the same services. This is because the depreciation charge will increase, placing more pressure on the operating surplus ratio, and the Council will have less capacity to build cash reserves or finance additional borrowings.

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1.2 Summary of Recommendations

The Commission recommends that the City of Charles Sturt:

1. **Continue** the good practice of annually updating and developing its strategic management plans, in consultation with stakeholders and the community.
2. **Update** its asset valuation assumptions to accurately reflect the current and long-term asset values (and associated depreciation) in its long-term financial plans each year.
3. **Improve** the disclosure of cost savings targets or productivity improvements in its long-term financial plans and annual business plans (as appropriate), to provide evidence of constraining cost growth and achieving efficiency across its operations and service delivery.
4. **Consider** its pace of repayment of debt, balancing financial costs, the program of development of new assets and intergenerational equity.
5. **Adhere** to the principles underpinning its long-term financial plan projections, to appropriately allocate funding to the renewal of its assets, relative to prioritising initiatives for new or upgraded infrastructure.
6. **Continue** to review its long-term asset base assumptions, including asset valuations, and asset lives, as necessary, informing its forecast rate of asset consumption and depreciation expenses and asset renewal needs in its long-term financial plan and asset management plans.
7. **Continue** the good practice of consulting with the community on its strategic management plans and on proposed rate increases.

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2 About the advice

2.1 Background

The State Parliament has tasked the Essential Services Commission of South Australia (**Commission**), South Australia's independent economic regulator and advisory body, 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.[3]

A primary purpose of the Local Government Advice Scheme (**Advice** or **the Scheme**) is to support councils to make financially sustainable strategic decisions in their Annual Business Plans (**ABP**) and budgets, in the context of their Long-Term Financial Plans (**LTFP**) and Infrastructure and Asset Management Plans (**IAMP**). IAMPs are commonly referred to as Asset Management Plans (**AMP**). The LTFP and the IAMP are both required as part of a council's SMP.[4] Financial sustainability encompasses intergenerational equity,[5] program (service level) and rates stability in this context.[6] The other main purpose is for the Commission to consider ratepayer contributions in the context of all revenue sources, as outlined in the LTFP.[7] 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.[8]

The first cycle of the scheme extends over four years from 2022-23 to 2025-26, and the Commission has selected 17 councils for advice in the third year (2024-25) of the Scheme, including the City of Charles Sturt (**Council**).

This report provides the Local Government Advice for the Council in 2024-25.

The Council is obliged under the *Local Government Act 1999* (**LG Act**) to publish this advice and its response, if applicable, in its 2025-26 ABP (including any draft ABP) and in subsequent plans until the next cycle of the Scheme.[9] The Council is not compelled under the LG Act to follow the advice.

The Commission thanks the Council for meeting with Commission staff and for providing information to assist the Commission in preparing this advice.

2.2 The Commission's approach

In providing its Advice for the Council, the Commission has followed the approach it previously explained in the Framework and Approach – Final Report (**F&A**).[10]

The Commission has considered the Council's SMP documents (set out in the box below), with a particular focus on its performance and outlook against three financial indicators: the Operating Surplus Ratio (**OSR**), the Net Financial Liabilities Ratio (**NFLR**) and the Asset Renewal Funding Ratio (**ARFR**).[11]

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

4 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.

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

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

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

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

9 LG Act s122(1h).

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

11 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

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Analysis of these three indicators captures financial and service sustainability, in addition to cost control and affordability risk.[12]

City of Charles Sturt – Strategic Management Plan Documents

- Draft Water Infrastructure, Asset Management Plan, 2024-2034 (July 2024)
- Annual Business Plan and Budget 2024/25, including CEO Statement on Financial Sustainability; and LTFP Assumptions and Forecasts 2024-2034 (June 2024)
- Fleet, Plant and Equipment, Asset Management Plan, 2024-2034 (May 2024)
- Transport Assets, Asset Management Plan, 2024-2034 (April 2024)
- Public Lighting, Asset Management Plan, 2024-2034 (April 2024)
- Council Buildings, Asset Management Plan, 2024-2034 (April 2024)
- Open Space and Recreation Infrastructure, Asset Management Plan (April 2024)
- Audit and Risk Committee Meeting (Agenda and Minutes), Item 4.03 - Review of LTFP Assumptions and Framework for Development of the Annual Budget 2024/25 (February 2024)
- Annual Business Plan and Budget 2023/24, including CEO Statement on Financial Sustainability; and LTFP 2023-2033 (June 2023)
- Water Infrastructure, Asset Management Plan, 2021 (November 2021)
- Information Technology, Asset Management Plan (January 2019)

The Commission notes that most of the Council's infrastructure asset base is covered by its existing AMPs. Some of the recent updates to its AMPs are not fully reflected in the Council's current LTFP (as presented in this Advice), as they were completed after the LTFP was adopted. Additionally, the Council advised that some of its assets were revalued in 2023-24 and this uplift is not reflected in its current LTFP.

Given that the Commission must, in providing advice, have regard to the objective of councils maintaining and implementing their IAMPs and LTFPs,[13] it has also considered the Council's performance in that context. Findings regarding the content of the Council's AMPs, and the alignment between its LTFP and AMPs,[14] are discussed in section 5.

The Commission has also reviewed the Council's template data which contains its 2024-25 LTFP forecasts for 2024-25 to 2033-34, as well as its 2023-24 LTFP forecasts, historical financial data, the number of rateable properties and Council staff (Full Time Equivalent or **FTE**) numbers from 2013-14 onwards.[15] [16] The charts and tables in the Advice are primarily sourced from these datasets. In addition, the Commission has reviewed the Council's Audit and Risk Committee reports, and other public information, as appropriate.

The Commission has reported estimates in nominal terms, for consistency with the Council's plans and actual rate levels, but it has compared estimated inflation impacts to these trends as a guide to identify 'real' rather than 'inflationary' effects. In the charts, the Consumer Price Index (**CPI**) line shows the

basis for its analysis, which were established and agreed during the development of the LGA Financial Sustainability Papers (2006-2011).

12 The F&A listed 29 analytical questions that the Commission has answered in assessing the Council's performance against these indicators to determine affordability, cost control and other sustainability risks.

13 LG Act s122(1g)(a)(i).

14 As required under s122(1b) of the LG Act.

15 The Council's estimates for the 2023-24 financial year, relied on at the time of preparing this advice, were unaudited.

16 Sourced from the Local Government Grants Commission (including data reported by the Office of the Valuer General) and the Council's data.

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cumulative growth in the CPI (Adelaide) series from 2013-14, and then projections of this series from 2024-25 based on the Reserve Bank of Australia (**RBA**) (Australia-wide) inflation forecasts (to the December quarter 2026), and the midpoint of the RBA target range (2.5 percent) thereafter.

Finally, in formulating this Advice, the Commission has had regard to all discussions and engagement with the Council, including the face-to-face onsite meeting at the Council's offices and the following individual circumstances of the Council, consisting of:

- its location as an urban council
- its income level (a total of $145.3 million in 2022-23), and
- the size of its rates base (61,545 rateable properties as at 2022-23[17]).

Throughout this paper the Commission has identified key points and assigned the following risk category to those points:

Legend: Low-risk Moderate-risk High-risk

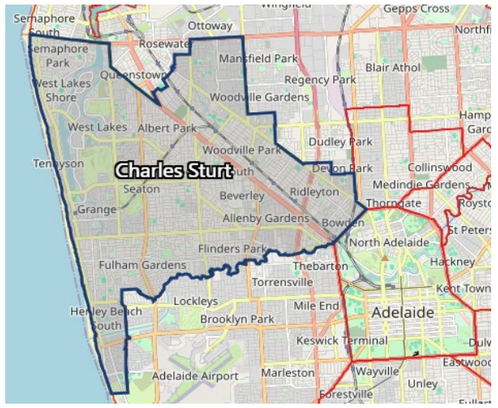
[17] Based on the estimated number of property assessments in 2022-23.

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3 Council profile

The City of Charles Sturt is classified by the Commission as an 'Urban Development and Urban City Centre' council, and is one of 16 in this category in South Australia.[18] The Council is located in the Western suburbs of Adelaide between the Adelaide CBD and the coast, comprising 54.8 square kilometres and 12 kilometres of coastline.[19] It has an estimated resident population of 127,440 (at 30 June 2023),[20] and 61,545 rateable properties (2022-23).[21]

The Council was proclaimed on 1 January 1997, joining together the former City of Hindmarsh Woodville and the City of Henley and Grange.[22]



The Council region also has the following attributes:

- stable rateable property growth of approximately 1.0 percent per annum[23]
- population density of 2,326 persons per square kilometre (at 30 June 2023)[24]
- 593 kilometres of sealed roads and laneways, with minimal unsealed roads (at 30 June 2023)[25]
- largest employment sectors are in health care and social assistance (15.7 percent), retail trade (9.7 percent), education and training (8.9 percent), and construction (8.4 percent) (at 30 June 2021),[26] and
- a median population age of 40.3 years.[27]

[18] Commission, *Fact Sheet - Local Government Advice Scheme – Schedule of Councils*, May 2023, available at https://www.escosa.sa.gov.au/ArticleDocuments/21947/20240731-Advice-ScheduleOfCouncils-FactSheet.pdf.aspx?Embed=Y.
[19] Department of Infrastructure and Transport, *Councils in Focus*, available at https://councilsinfocus.sa.gov.au/councils/city_of_charles_sturt.
[20] Australian Bureau of Statistics, *Data by region*, available at https://dbr.abs.gov.au/region.html?lyr=lga&rgn=41060.
[21] Refer to the Department of Infrastructure and Transport - Local Government Grants Commission, *2022-23 Database Reports*, available at: https://www.dit.sa.gov.au/local-government/grants-commission/publications#database.
[22] Refer to City of Charles Sturt website available at https://www.charlessturt.sa.gov.au/council/about-our-city.
[23] Based on the Council's Financial Reporting template provided to the Commission.
[24] Footnote 20 applies.
[25] Footnote 21 applies.
[26] Footnote 20 applies.
[27] Footnote 20 applies.

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4 Material plan amendments in 2024-25

The Council has made various amendments to its 2024-25 budget and forward projections, partly for inflation and partly for other revenue and spending initiatives. The material amendments to some of its main financial forecasts are listed in the table below (in nominal terms).[28] To ensure a comparable analysis of estimates between the 2023-24 and 2024-25 LTFP projections (included in the Council's Annual Business Plans (ABPs)), the Commission has reviewed the nine overlapping years' statistics: 2024-25 to 2032-33 and identified material amendments accordingly.[29]

4.1 Key points

- Good practise of annually updating and developing its strategic management plans in consultation with its stakeholders and community.
- Current long-term financial plan may not accurately reflect current and projected asset valuation assumptions.
- Increased forecast capital expenditure by 25.6 percent (or $88.3 million) in its 2024-25 LTFP estimates.

Table 1: Summary of Plan Amendments

Selected Financial Item	Sum of 2024-25 to 2032-33 estimates in 2023-24 LTFP ($ million)	Sum of 2024-25 to 2032-33 estimates in 2024-25 LTFP ($ million)	Change in 2024-25 estimates ($ million)	Change in 2024-25 estimates (percent)
Rates income*	1,396.7	1,450.0	+53.3	+3.8
Statutory charges	46.7	50.2	+3.5	+7.5
User charges	36.0	40.7	+4.7	+13.2
Reimbursements	5.6	4.9	-0.7	-12.5
Total operating income*	1,570.6	1,634.3	+63.7	+4.1
Employee costs*	578.3	601.7	+23.4	+4.1
Depreciation, amortisation and impairment*	390.6	374.3	-16.3	-4.2
Capital expenditure on renewal of assets[30]	256.4	305.1	+48.7	+19.0
Capital expenditure on new and upgraded assets[31]	89.1	128.7	+39.6	+44.4

* These items may not indicate a material amendment.

28 This table shows only selected financial items to demonstrate the material amendments made by the Council in its 2024-25 estimates. It excludes various financial items, and individual items may not sum to totals.
29 The Council's updated LTFP projections are contained in its ABPs.
30 The capital expenditure estimates are based on the 2024-25 LTFP projections provided by the Council to the Commission (in an Excel template).
31 Footnote 30 applies.

4.2 General observations on the LTFP, ABP and IAMP

Through early discussions with the City of Charles Sturt, the Commission has observed that the Council has a structured and consultative process when developing its strategic management plans and budgets. Each year in January, the Council undertakes a review and update of its LTFP, which is considered by the Council's Audit and Risk Committee, with recommendations further considered by the Corporate Services Committee and Council.[32] The first year of the adopted LTFP provides the high-level framework for the development of the Council's annual budget. Both the LTFP and Annual Business Plan (and Budget) are developed within the Council's overall planning framework, which includes the 20-year Community Plan and Corporate Plan. The Corporate Plan details the strategies and actions that will align to the first 4 years of the Community Plan.

From July to October each year, the Council's AMPs are reviewed and updated, having regard to any forecast expenditure changes resulting from changed circumstances. The Council advises that all major AMPs have had a major revision in 2023-24, in line with legislative requirements to review these within two years of council elections.[33] The Council has established a rolling schedule for asset condition assessment and asset revaluations for all major asset classes; and has allocated a recurrent budget to ensure adequate funding for this rolling program.

In October 2024, the Council advised the Commission that it had undertaken significant asset revaluations, with land representing the largest increase by $867 million on 30 June 2024, and some assets had not been revalued since 2018.[34] This is discussed further in section 5.3 below. Overall, the Commission considers that the Council's approach to updating and developing its SMPs, and annual business plans and budgets represents good practice. However, there is scope to improve the sequencing of updates to asset valuation assumptions (and resulting depreciation) included in its LTFP. Accordingly, the Commission recommends that the Council:

1. **Continue** the good practice of annually updating and developing its SMPs, in consultation with stakeholders and the community.
2. **Update** its asset valuation assumptions to accurately reflect the current and long-term asset values (and associated depreciation) in its LTFPs each year.

4.3 Changes to operating performance

The Council has projected in its 2024-25 LTFP (also included in its 2024-25 ABP) an increase in total operating income of $63.7 million (or 4.1 percent) across the nine-year comparative period to 2032-33 compared to the 2023-24 LTFP (also included in its 2023-24 ABP and as shown in Table 1 above).[35] This reflects a range of changes to its income forecasts, notably:[36]

- The rates revenue increase reflects the rate increase of 2.0 percent in 2024-25 to fund its Tree Canopy project, costing $51.1 million over 20 years (commencing from 2024-25). The Council proposes to increase rates by a further 2.5 percent, phased between 2024-25 and 2027-28, to address increased capital expenditure for asset renewals and new assets of $67 million.[37]

32 Under s.122(4)(a)(i) of the LG Act the Council must undertake a review of its long-term financial plan on an annual basis.
33 LG Act s122(4)(a) and (b). General elections were last held for SA councils on 11 November 2022.
34 City of Charles Sturt, *Email to the Commission*, 8 October 2024.
35 This is generally consistent with the Adelaide (All groups) CPI increase of 4.3 percent in the year to March 2024 quarter. Available at https://www.abs.gov.au/statistics/economy/price-indexes-and-inflation/consumer-price-index-australia/latest-release#data-downloads. The Council uses a range of indexation assumptions, and for its baseline rates projections applies the Deloitte Access Economics South Australian CPI forecasts (which for the year to June 2025, was 2.75 percent).
36 Based on the Council's Financial Reporting template (including its reasons for material amendments) provided to the Commission.
37 These increases are in nominal terms and are inclusive of CPI increases.

- Statutory charges reflect an increase in parking expiations by $0.2 million in 2024-25 due to an increase in resourcing, which results in a $2.2 million increase over 10 years. In addition, increases in planning and development fees, dog fees and permits will contribute to a $3.5 million increase over 10 years.
- User charges reflect increased revenue associated with the Woodville Town Hall and Climate Adaption reimbursement from collaborating councils (City of West Torrens and Port Adelaide Enfield). The impact of these changes is an additional $4.7 million over nine years.

For operating expenses, the Council has provided some explanations to the Commission, summarised below:

- Employee costs reflect an increase of $2.5 million per annum due to indexation, and an increase of $1.4 million associated with annual operating projects in 2024-25 (Tree Canopy project salaries are $0.8 million in 2024-25). In total these impacts contribute to an increase of $23.4 million (or 4.1 percent) across the nine-year comparative period.
- Depreciation expenses reflect the changes in the Council's LTFP assumptions (most recently updated in February 2024), which projects that depreciation will decrease by $16.2 million (or 4.2 percent) across the nine-year comparative period. The Council states this is due to the:
  - sale of the 'JetVac' truck and 'cameravan' used for unblocking drains and stormwater pipes, which reduces depreciation by approximately $0.08 million per annum (or $0.8 million over 10 years), and
  - reduction in the projected rate of depreciation in the LTFP to better align with the rate of depreciation in the asset register, which reduces average depreciation by 1.7 percent over 10 years (or a decrease of $6.6 million over 10 years).

Additionally, the Council has foreshadowed that it expects depreciation expenses to increase by $3 - $5 million in 2024-25 following a 30 June 2024 internal revaluation of its infrastructure assets (stormwater, roads, footpaths and bridges). These revaluations were undertaken after the Council's current LTFP was finalised and adopted; and could present a material risk to the Council's operating performance and a potential burden on ratepayers. This is because the asset revaluation and associated depreciation changes are not fully reflected in the Council's current LTFP, which projects operating surpluses across its forecast horizon to 2033-34. The Commission assessment of how this issue relates to the Council's financial sustainability is discussed in section 5.

4.4 Changes to capital expenditure estimates

The Council's 2023-24 LTFP projections (included in its ABP) indicate a material increase in capital expenditure for asset renewals (by $48.7 million or 19.0 percent) and for new and upgraded assets (by $39.6 million or 44.4 percent), compared to the previous years' LTFP projections (for the period from 2024-25 to 2032-33). The Council advises that the proposed spend on both renewals and new and upgraded assets is projected to be higher due to:

- higher procurement costs on asset renewals, which comprise an additional $30.7 million
- increases in the pricing and scope for new assets, which comprises an additional $36.6 million, and
- higher indexation applied from 2028-29 onwards (the Council uses Deloitte Access Economics projections), which comprises an additional $19.6 million in capital expenditure.

The Council's transport assets (that is roads, footpaths, and bridges), and stormwater represent its largest asset classes and are a major focus of its renewal, investment and operating and maintenance budgets. The Council's capital expenditure outlook is discussed further (in the context of its asset renewal funding) in section 5.3.

5 Financial sustainability

5.1 Operating performance

5.1.1 Key points

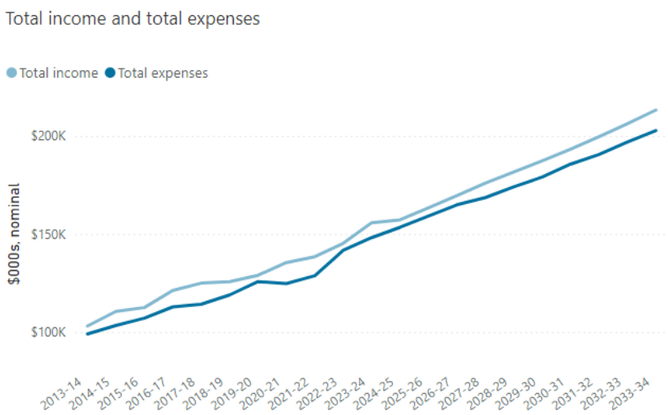
- Operating surpluses were consistently achieved between 2013-14 and 2022-23, with the operating surplus ratio averaging 5.6 percent over this period.
- In its forward projections, the operating surplus ratio is forecast to average 3.8 percent per annum from 2024-25 to 2033-34.
- From 2013-14 to 2022-23, there were average annual increases of 4.3 percent in employee costs and 3.6 percent in 'materials, contracts and other' expenses, above CPI.
- Expenses per property are projected to increase by 2.1 percent per annum over the period from 2024-25 to 2033-34, below current inflation projections.

5.1.2 Operating Surplus Ratio

Figure 1: Operating surplus ratio – historical and forecast



Figure 2: Total income and expenses – historical and forecast



The Council has consistently achieved annual operating surpluses ranging from $3.2 million to $10.8 million. Over the last 10 years, the Council's operating surplus ratio[38] has averaged 5.6 percent, around the mid-point of the suggested Local Government Association of South Australia (**LGA**) target range of between zero and 10.0 percent.

The Council has maintained annual operating surpluses, with growth in operating income averaging 3.9 percent per annum from 2013-14 to 2022-23, and growth in operating expenses averaging 4.1 percent per annum.[39] Both operating revenue and operating expenses have increased at a rate higher than historical CPI, however these increases should be viewed in the context of the Council's growth in rateable properties, which has been 1.0 percent average annual growth over the same period (this is discussed further below).

Over the forecast period, the Council's operating surplus ratio is projected to increase progressively from a budgeted 2.4 percent (2024-25) to 4.9 percent (2033-34), which is consistent with the Council's target ratio between 2.5 percent and 5.0 percent over 10 years (see Figure 1). This appears to be a reasonable target since it appears to provide the Council funding for new mandates or initiatives (as well as allow for contingency). However, the Commission's view is that achievement of this target should come from Council efficiency or productivity improvements rather than increases in rates above inflation.

5.1.3 Operating Income

The Council's primary source of income over the period from 2013-14 to 2022-23 was from rates, which on average accounted for 84 percent of total operating income. Rates revenue has increased on average by 3.3 percent per annum from 2013-14 to 2022-23 (when growth in the number of rateable properties was averaging 1.0 percent and CPI growth averaged 2.6 percent). Over the same period, 'user charges' (accounting for 2.6 percent of total operating income) increased by an average of 5.6 percent per annum, and 'grants, subsidies and contributions' (accounting for 8.2 percent of total operating income) increased by an average of 7.6 percent per annum.

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

39 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).

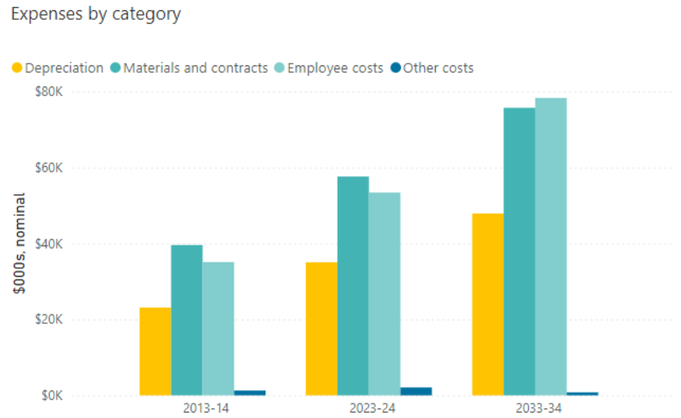
Grants income has been 'lumpy' from year to year.[40] The three-year average of $148 per ratepayer in 2015-16 is compared with the three-year average of $202 per ratepayer in 2022-23, reflecting an increase in value in real terms (or 4.6 percent increase per annum in nominal terms).

The Council is projecting average annual rates revenue growth of 3.6 percent to 2033-34, which is above the projected long-term inflation rate,[41] a real increase in rates revenue. The Council's projected average annual growth in the number of rateable properties is 1.0 percent per annum, so its growth in rate revenue (on a per rateable property basis) is projected to average 2.6 percent per annum, which is consistent with projected long-term inflation. Rates are discussed in more detail in section 6.

5.1.4 Expenditure

From 2013-14 to 2022-23, the Council's operating expense growth was primarily due to an average annual increase of 4.3 percent in employee costs[42], 4.4 percent in 'depreciation, amortisation and impairment' expenses, and 3.6 percent in 'materials, contracts and other' expenses (see the changes by expense type in Figures 3 and 4).

Figure 3: Expenses by category – historical and forecast

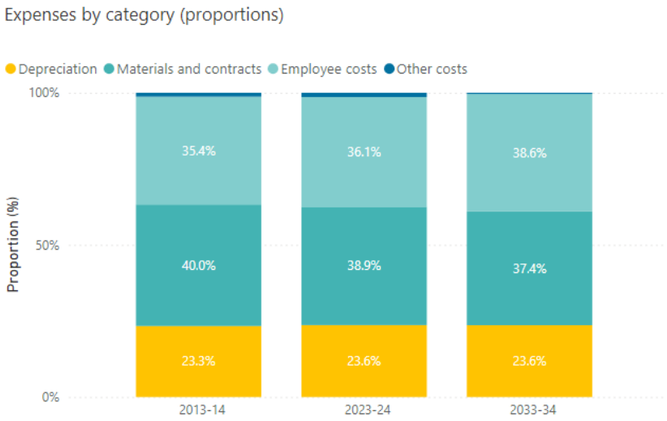


40 Due to the timing of different grants and sometimes advance grant payments (as for the 2023-24 grant allocation, which was received and accounted for in 2022-23).

41 The forecast average annual growth in the CPI from 2024-25 to 2033-34 is estimated to be 2.6 percent based on the RBA forecasts for the CPI (Australia-wide) to December 2026 (and the Commission's calculations of average annual percentage growth) and the midpoint of the RBA's target range (2.5 percent) from 2026-27.

42 The Council's template data shows that employee numbers increased by 9 FTEs over this period. In 2023-24 the Council's unaudited data shows a material increase in FTEs to 496 (an increase of 25 FTEs). Long term planning projections assumes it will remain constant at current levels of 496 FTEs.

Figure 4: Expenses by category - proportions



For the forecast period (from 2024-25 to 2033-34), the Council projects a 3.1 percent average expense growth, which is lower than the annual average growth of 4.1 percent for the nine years to 2022-23, and is higher than the RBA-based forecast inflation growth.[43] It is noted that the Council reported higher year-on-year increases in 2022-23 across most of its cost categories by approximately 10.0 percent (compared to the previous year),[44] however long-term forecast operating cost trends remain consistent with its historical growth rates.[45] The expenses per property metric, which takes account of growth, is expected to increase by an average of 2.1 percent per annum (from 2024-25 to 2033-34), which is below inflation projections (see Figure 5).

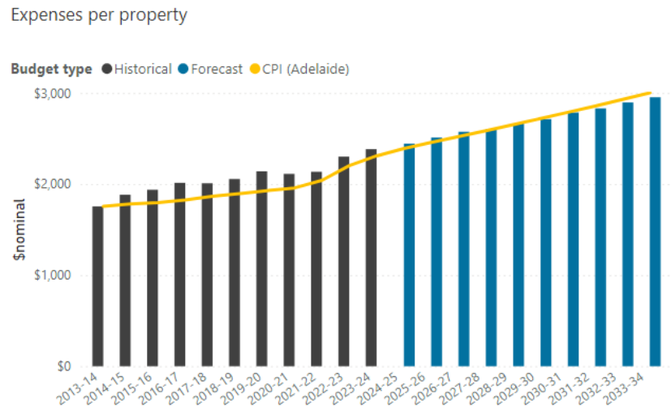
[43] Footnote 41 applies.

[44] The notable percentage increases in the Council's operating costs were attributable to Employee leave expense (by 63 percent), Contractors (by 24 percent), Energy (by 25 percent), and Levies paid to Government (inc. Regional Landscape Levy) (by 16 percent). See City of Charles Sturt, *General Purpose Financial Statements for the year ended 30 June 2023*, Note 3(a) and 3(b), p. 20, available at https://www.charlessturt.sa.gov.au/council/council-documents/annualreport.

[45] The Council states that changes in 'materials, contracts, and other' expenses and employee costs also reflect insourcing activities subject to a business case, for example related to irrigation construction and public litter bins.

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Figure 5: Expense by rated property - historical and forecast



The Commission's analysis of the Council's financial information shows that it has incurred higher operating costs, particularly in the last two years from 2022-23 to 2023-24 (compared to 2021-22), and that it has maintained financial sustainability largely through higher rates, statutory charges, and user charges. While the Council has considered cost savings in it budgets and forecasts (notably in 'materials, contracts and other' expenses), there is a risk that this higher cost trend continues. For example, over a cumulative 3-year period to 2026-27, the Commission observes:

- 17.0 percent cumulative increase in employee costs (accounting for 37.9 percent of total operating expenses), and
- 11.9 percent cumulative increase in 'depreciation, amortisation and impairment' expenses (accounting for 23.8 percent of total operating expenses).

The increase in employee costs represents an expansion of employee numbers to 496 FTEs (from 471 FTEs in 2022-23), with some of this attributable to the Council's proposed Tree Canopy project. Higher costs associated with enterprise bargaining agreements are also contributing to these increases. The depreciation expense increase appears logical due to revaluation of assets, however there is some uncertainty around the proposed changes on account of recent revaluation of assets to be reflected in subsequent LTFPs (this is discussed in Section 5.3).

5.1.5 Commission's recommendations on operating performance

The Commission has observed the Council's current good practice of regularly updating its strategic planning documents and presenting a range of long-term financial planning scenarios that are supported by a range of assumptions.[46] However, in reviewing the Council's LTFP and ABP (applicable from 2024-25 and onwards), the Commission found little evidence of cost savings or productivity targets that could assist the Council to reduce its cost growth and exposure to inflationary pressures. A focus on savings and productivity targets would also assist the Council to minimise rates increases for its community or avoid a reduction in service levels. Therefore, the Commission recommends that the Council:

[46] City of Charles Sturt, *Corporate Services Committee, Agenda and Reports – 4 March 2024, Item 4.07 Long Term Financial Plan and Framework for the 2024/25 Budget,* p. 5, available at https://www.charlessturt.sa.gov.au/__data/assets/pdf_file/0023/1553360/AGENDA-Corporate-Services-Committee-Meeting-4-March-2024.pdf.

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3. **Improve** the disclosure of cost savings targets or productivity improvements in its long-term financial plans and annual business plans (as appropriate), to provide evidence of constraining cost growth and achieving efficiency across its operations and service delivery.

5.2 Net financial liabilities

5.2.1 Key points

- ⚠ Net cash flows after operating and investing (that is, capital-related) activities has averaged negative $1.8 million per annum between 2013-14 and 2022-23.
- ✓ Between 2013-14 and 2022-23 the net financial liabilities ratio averaged 41.1 percent; and is projected to be within the LGA target range from 2024-25 to 2033-34.
- ⚠ Total borrowings are forecast to peak in 2025-26 (to $72.6 million) and then fall towards the end of the Council's planning horizon in 2033-34 (to $11.7 million), materially increasing debt servicing costs in the latter half of its LTFP.

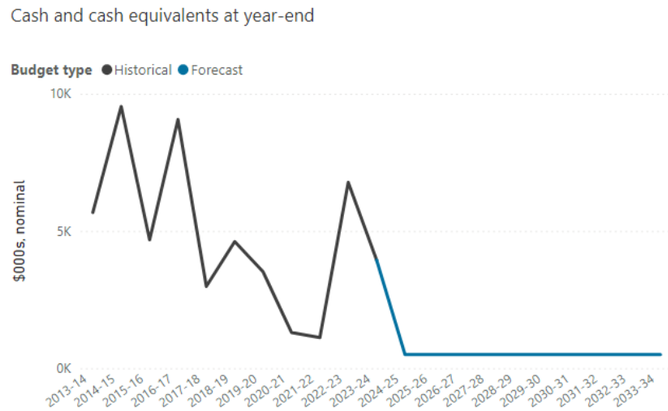
Despite the Council's frequent operating surpluses over the last 10 years, its net cash flows after operating and investing (that is, capital-related) activities have averaged negative $1.8 million annually between 2013-14 and 2022-23.[47] These are the cash flows generally available for debt repayments (and are after interest payments) and indicate the Council has been effectively utilising its cash reserves to repay borrowings. This indicator is different to Figure 6, which shows cash held by the Council at the end of each year, including financing activities, which has averaged $4.9 million per annum over the same period.

The Council has predominantly used borrowings from the Local Government Finance Authority of South Australia (**LGFA**) to finance new and upgraded assets, consistent with its commitment to avoid unacceptable rates increases over the short-term and as a way of achieving inter-generational equity.[48] In its 2024-25 LTFP, the Council is forecasting an increase in borrowings to $51.2 million (in 2024-25) and to $72.6 million (in 2025-26), representing forecast (net) proceeds from borrowings of $31.8 million.

47 This figure provides a general indication on whether the Council has a capacity to repay borrowings or has an emerging cash flow sustainability issue. A negative or relatively small figure should be viewed in the context of the Council's revenue base and existing cash balances, and it may be able to service cash flow deficits for a long period of time.

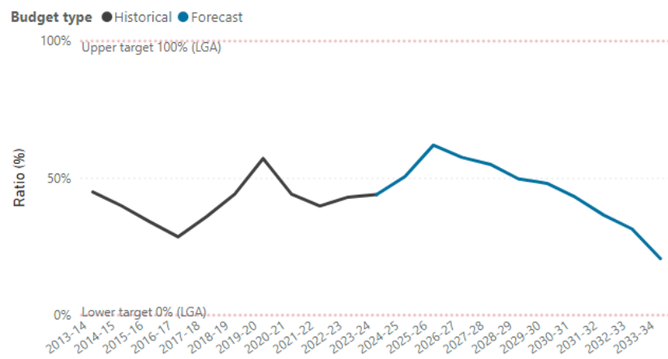
48 City of Charles Sturt, *Annual Business Plan and Budget 2024/25,* June 2024, p.14.

Figure 6: Cash and cash equivalents at year end – historical and forecast



The Council's net financial liabilities ratio has been relatively consistent and has averaged 41.1 percent over the 10-year period from 2013-14 to 2022-23 (see Figure 7). This is within the suggested LGA target range for the indicator of between zero and 100 percent and is at a level which demonstrates that the Council is only accumulating liabilities that its operating income can reasonably service (see Figure 8).[49]

Figure 7: Net financial liabilities ratio – historical and forecast

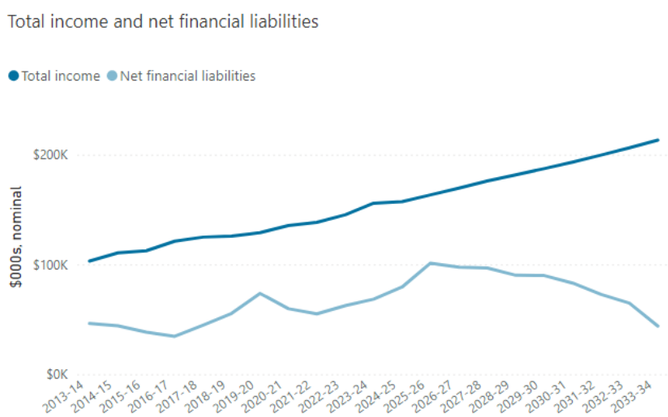


The Council has estimated that the NFLR will peak at 62.0 percent in 2025-26,[50] with borrowings forecast to peak at $72.6 million in 2025-26. Over the remaining period of the LTFP, the Council is projecting net borrowing repayments totalling $60.9 million, and the net financial liabilities ratio is projected to decline to 20.6 percent in 2033-34 (when borrowings are projected to total $11.7 million).

49 The net financial liabilities ratio is defined as: Net financial liabilities ÷ Total operating income. This ratio measures the extent to which a council's total operating income covers, or otherwise, its net financial liabilities. The suggested LGA target range is between zero and 100 percent of total operating income, but possibly higher in some circumstances (LGA SA Financial Indicators Paper, pp. 7-8).

50 Based on the Council's Excel template provided to the Commission.

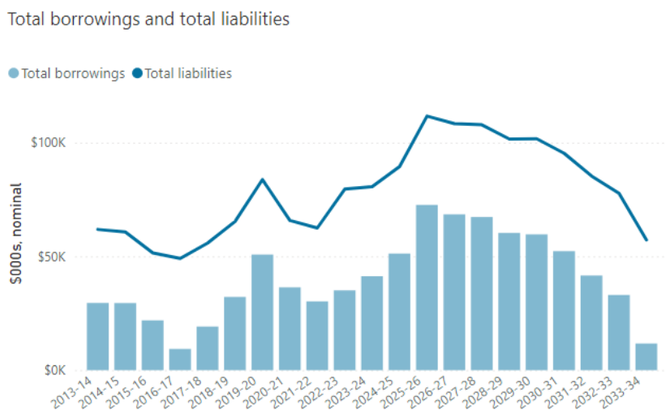
Figure 8: Total income and net financial liabilities – historical and forecast



The Council has a relatively conservative attitude towards debt, and its strategic use. It has endorsed the suggested LGA measure being the net financial liabilities ratio of between 0 percent and 100 percent. The Council also uses the interest cover ratio, which measures the serviceability of the Council's net interest expense (as a percentage of operating revenues), with a target range being less than 10 percent. These ratios remain comfortably within the Council's upper policy limits.[51]

In addition to these metrics, the Council targets a long-term net financial liabilities ratio (in year 10) of no greater than 25 percent of revenue, which the Council believes will ensure that it is positioned to respond to future opportunities or challenges, while ensuring it can deliver its repayment program for capital work infrastructure borrowings. The Council's debt amortisation profile (depicted in Figure 9), shows that its debt servicing increases materially in the latter half of its LTFP.[52]

Figure 9: Total borrowings and total liabilities – historical and forecast



51 City of Charles Sturt, *Annual Business Plan and Budget 2024/25,* June 2024, p.14.

52 The Council's projections shows that it will achieve its 25 percent net financial liabilities ratio through a relatively large borrowing repayment of $21.4 million in year 10 (2033-34) of its LTFP.

5.2.2 The Commission's recommendations on financial liabilities

As noted previously, the Commission observes that the Council is generally conservative in its use of debt and manages its financial risks through the use and reporting of several metrics (among other things). This is a favourable management approach, however, given the Council's proposed increase in borrowings (in 2024-25 and 2025-26) along with its interest rate exposure, it may be appropriate for it to spread the repayment of borrowings (and debt servicing) across a longer timeframe, consistent with the principle of intergenerational equity.[53] Accordingly, the Commission recommends that Council:

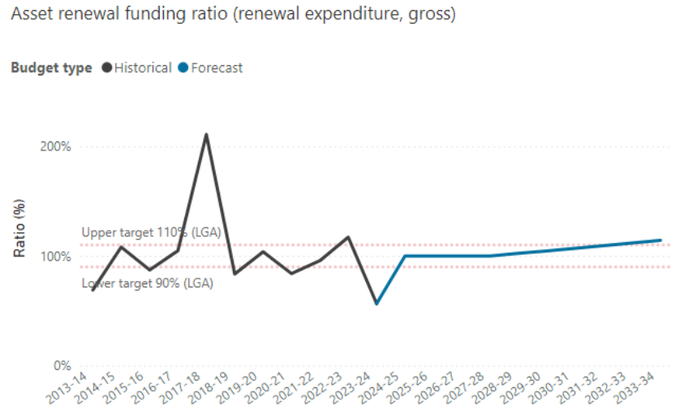
4. **Consider** its pace of repayment of debt, balancing financial costs, the program of development of new assets and intergenerational equity.

5.3 Asset renewals expenditure

5.3.1 Key points

- Between 2013-14 and 2022-23, the asset renewal funding ratio averaged 106.4 percent, with an average renewal expenditure of $26.4 million per annum.
- The forecast asset renewal funding ratio over the next 10 years is projected to align with its previous AMPs; however recently adopted AMP projections are not reflected in the Council's LTFP and present a risk to its sustainability.
- Over the last five years, spending on new or upgraded assets accounted for approximately half of total capital expenditure.
- Recent asset revaluations indicate that the projected asset base and depreciation do not reflect the current values, increasing financial and asset sustainability risks.

Figure 10: Asset renewal funding ratio (renewal expenditure gross) – historical and projected



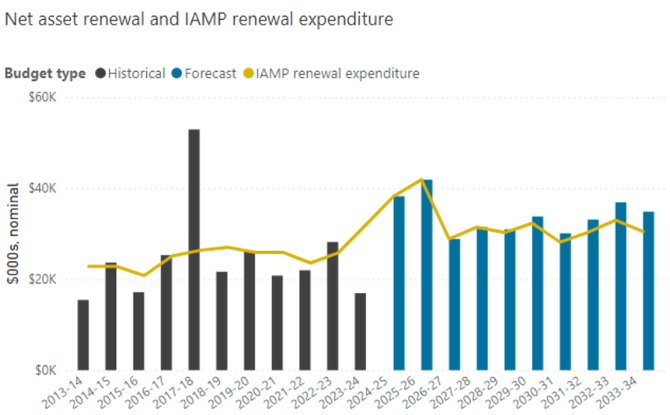
53 'Intergenerational equity' relates to fairly sharing of services and the revenue generated to fund the services between current and future ratepayers.

Historically, the Council has generally met the suggested LGA target range for its asset renewal funding ratio[54] between 2013-14 and 2022-23, achieving an average of 106.4 percent over this period,[55] albeit with some volatility in the period between 2016-17 and 2018-19 (see Figure 10). Overall, this suggests that the Council has generally met the renewal and rehabilitation needs of its asset stock and on average its renewal capital expenditure was $26.4 million per annum over this period.[56]

The Council's updated projections in its 2024-25 ABP indicate it will continue to focus on its asset renewal spending priorities over the longer term (see also Figure 11). From 2024-25 to 2033-34, the ratio is forecast to average 104.9 percent, reflecting the Council's intention to align to AMP projections. Average annual spending on renewal or replacement of assets is projected to increase to $34.8 million (in nominal terms) (See Figure 12).

In April 2024, the Council reviewed and updated several of its AMPs, which were adopted after its current LTFP was adopted, and therefore these are not fully reflected in its LTFP projections (or the financial information presented in this Advice). At this stage, the Commission is unable to fully assess the implications of this change (or its materiality) and whether there is an accurate picture of asset renewal needs.

Figure 11: Net asset renewal and IAMP renewal expenditure – historical and projected

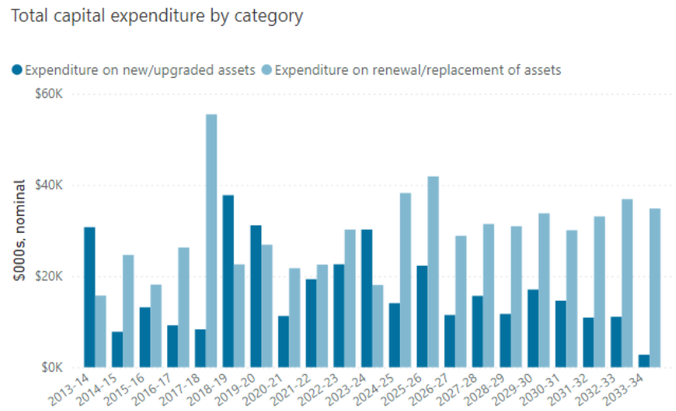


54 The IAMP-based method is the current industry standard whereby asset renewal/replacement expenditure is divided by the recommended expenditure in the IAMP (or AMP). Ideally, this will show the extent to which a council's renewal or replacement expenditure matches the need for this expenditure, as recommended by the plan. The suggested LGA target range for the ratio is 90.0 to 110.0 percent (LGA SA Financial Indicators Paper, p. 9).

55 The quoted averages for the ratio are based on 'gross asset renewal expenditure' (before the sale of replaced assets) rather than 'net asset renewal expenditure'.

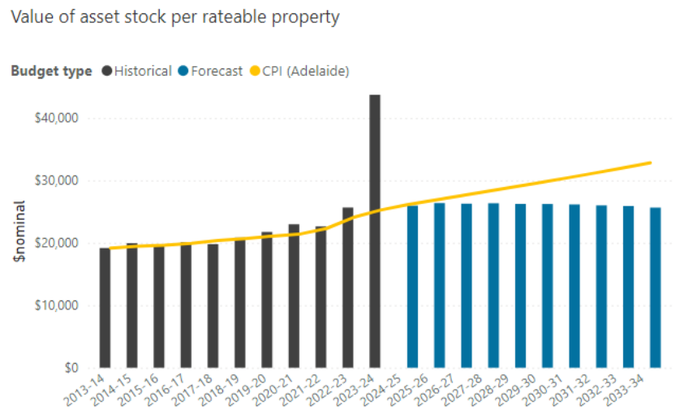
56 The Council targets greater than 80.0 percent for its asset renewal funding ratio. City of Charles Sturt, *Annual Business Plan and Budget 2024/25,* June 2024, p.5.

Figure 12: Total capital expenditure by category – historical and projected



The Council has grown its asset base, particularly over the last five years (from 2018-19 to 2022-23), with total capital expenditure averaging $49.2 million per annum, of which approximately half is allocated to new or upgraded asset expenditure. Over the 10-year historical period (from 2013-14 to 2022-23), this had led to an average increase in the value of asset stock per property of $721 or 3.3 percent for each year over this period to 2022-23 (see Figure 13). This indicates the Council's asset stock has been growing in real terms at 0.7 percent per annum.[57] On average, the Council has allocated 42.0 percent of its capital expenditure budget on new and upgraded assets over the last 10 years to 2022-23. It is observed that this allocation reduces to 27.9 percent over the 10 years to 2033-34.

Figure 13: Value of asset stock per rateable property – historical and projected



Going forward, the value of asset stock is forecast to decrease in real terms and potentially indicates the Council's projections of asset valuations (and associated depreciation) are unreliable or require further updates (as foreshadowed by the Council). It is also unclear whether the increase in the Council's capital expenditure over the 10 years to 2033-34 is accurately factored into its asset base.

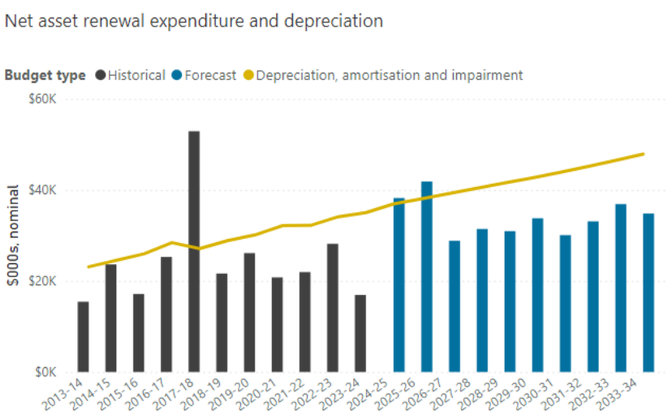
57 The value of Council land (last valued at 1 July 2018) is included in this calculation which represents 20.0 percent of the total value of 'Infrastructure, Property, Plant and Equipment' as of 30 June 2023. City of Charles Sturt, *General Purpose Financial Statements for the year ended 30 June 2023* (included in its 2022-23 Annual Report), Note 7 Infrastructure, Property, Plant and Equipment, p.23.

This uncertainty presents a risk to the Council's financial and asset sustainability as it is not clear whether the asset base is being maintained or if the rate of asset consumption is at an appropriate level.

Based on email correspondence with the Council in October 2024, it has advised that a recent revaluation exercise (on 30 June 2024) has increased the value of its infrastructure asset base by approximately $1.1 billion (or 72.0 percent), with approximately $0.9 billion of this increase attributable to land revaluation (a non-depreciable asset). The Council states that stormwater, road and footpaths were internally revalued using the Australian Bureau of Statistics (ABS) indices for construction, and that some of its assets had not been revalued since 2018. Further, as the revaluation was undertaken after its current LTFP was finalised, the impacts of this revaluation will only be shown in the next iteration of its LTFP. The Council has advised the Commission that its 2025-26 LTFP will incorporate its recently adopted AMPs.

Asset renewals can also be evaluated by the depreciation-based asset renewal funding ratio,[58] which is projected to be below the recommended minimum level (for the IAMP-based ratio) of 90.0 percent, and is projected to average 81.2 percent per annum in the 10 years to 2033-34 (see Figures 14 and 15). This ratio shows that depreciation expenses outpace renewal capital expenditure. Based on previous council advices prepared by the Commission, some variables that can impact on the appropriateness of depreciation levels (relative to renewal expenditure) include the extent and timing of asset revaluations, understating of recorded assets lives (thereby overstating depreciation), the scale of new and upgraded assets, and whether appropriate estimates are being made within Council's AMPs.

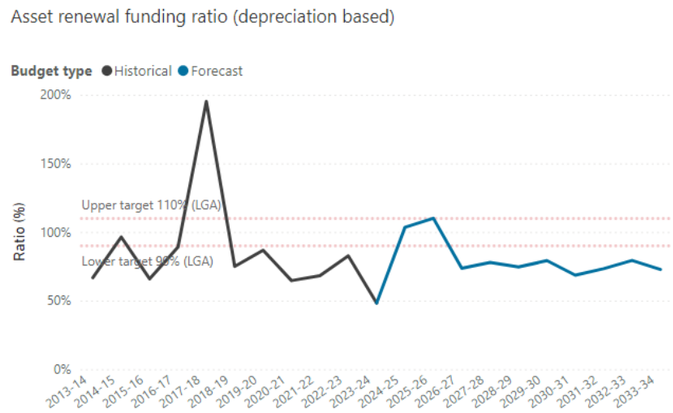
Figure 14: Net asset renewal expenditure and depreciation – historical and projected



Figures 14 and 15 could indicate that a potential shortfall exists in renewal expenditure (relative to depreciation), with the risk being that Council may not be able to adequately maintain its infrastructure asset base and associated service levels to the community may reduce.

[58] The Council's asset renewal funding ratio by the depreciation-based method (where asset renewal/replacement expenditure is divided by depreciation expenses). This ratio shows the extent to which capital expenditure on the renewal and replacement of assets matches the estimated rate at which these assets are used or consumed. 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.

Figure 15: Asset renewal funding ratio (depreciation based) – historical and projected



The Council currently has AMPs for all major asset classes and has implemented a rolling schedule to update its plans in line with legislative commitments.[59] The Council advises that, following the community consultation phase, most of its AMPs were reviewed and updated, and were endorsed by its Asset Management Committee and the Council during calendar year 2024.[60]

The Council has a rolling schedule for condition assessment and revaluation (in subsequent years) for all major asset classes. The Council has allocated a recurrent budget to ensure adequate funding for this rolling program. Its current schedule includes:

- buildings and land revaluation completed on 1 July 2024
- footpath revaluation to be completed in 2024-25 (following the condition audit in 2023-24), and
- road asset revaluation to be completed in 2025-26 (following the condition audit in 2024-25).

The Council advises that as part of its asset management planning (and end of year financial reporting) processes, it annually reviews the useful life of its assets, and that these lives are additionally reviewed when major asset revaluations occur (normally every five years for major asset classes).

5.3.2 The Commission's advice on asset renewals funding

Against this background, the Commission considers that the Council could be better positioned from a financial and asset sustainability perspective if it were more focused on the renewal of its existing asset stock, rather than increasing investment in new and upgraded assets, particularly until the Council better integrates the asset values, asset conditions, and implications of the revised AMPs into its overall strategic planning. It is also considered that some restraint in expenditure on new and upgraded assets will contribute towards lower increases in rates for its community.

For this reason, the Commission recommends that the Council:

5. **Adhere** to the principles underpinning its long-term financial plan projections, to appropriately allocate funding to the renewal of its assets, relative to prioritising initiatives for new or upgraded infrastructure.

[59] Under s.122(1a)(b) of the LG Act the Council must in effect develop and adopt an IAMP, relating to the management and development of infrastructure and other major asset classes for a period of at least 10 years.

[60] These include individual AMPs cover transport assets, public lighting, open space and recreation infrastructure, council buildings, fleet, plant and equipment, information technology, and water infrastructure.

The Commission believes there is also a need for the Council to review its depreciation and its long-term asset base assumptions and modelling, to ensure that the current cost of assets is reflected in its strategic management plans. As previously discussed, the Commission has also observed that the Council effectively projects a real-term decline in its asset base per rateable property (see Figure 13) and suggests an update is needed to minimise the risk to its financial forecasts, and an incorrect assessment of its operating performance, asset renewal needs and financial position. Accordingly, the Commission recommends that the Council:

6. **Continue** to review its long-term asset base assumptions, including asset valuations, and asset lives, as necessary, informing its forecast rate of asset consumption and depreciation expenses and asset renewal needs in its LTFP and AMPs.

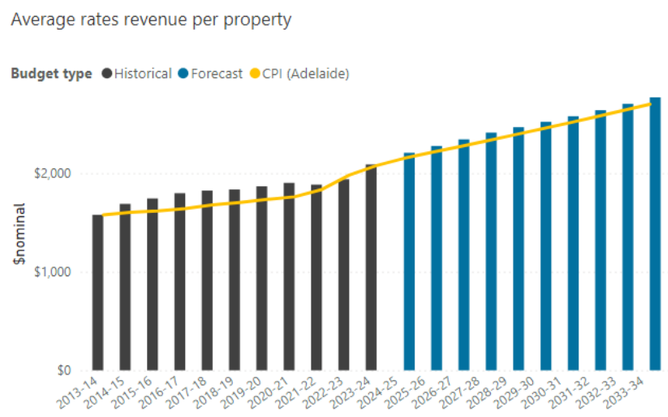
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6 Advice on current and projected rate levels

6.1 Key points

- ✓ Growth in rate revenue per property averaged 2.3 percent or $40 per annum for each property between 2013-14 and 2022-23, which is 0.3 percent below average CPI for the same period.
- ⚠ The forecast rate increase for 2024-25 is 6.25 percent per property, which is higher than it anticipated charging in previous forecasts.
- ✓ The forecast rate increases per property from 2024-25 to 2033-34 are projected to be an average of 2.6 percent per annum or a cumulative increase of $563 over this period, which is consistent with the RBA-based inflation forecast of an average of 2.6 percent per annum.
- ⚠ Affordability risk among the community for the further rate increases appears to be moderate, based on a range of factors, including an assessment of the economic resources available to the community, and community feedback.

Figure 16: Average rates revenue per property – historical and projected



6.2 Historical rates growth

Over the past 10 years,[61] the Council's rate revenue per property has increased at an average annual rate of 2.3 percent, equating to $40 per property per year, reaching an estimated $1,939 per property in 2022-23 (see Figure 16). This growth rate was less than the average CPI increase of 2.6 percent annually during the same period,[62]. The increase in rate revenue per property reflects both the increase in rates and growth in rateable properties of 1.0 per annum over the same period.

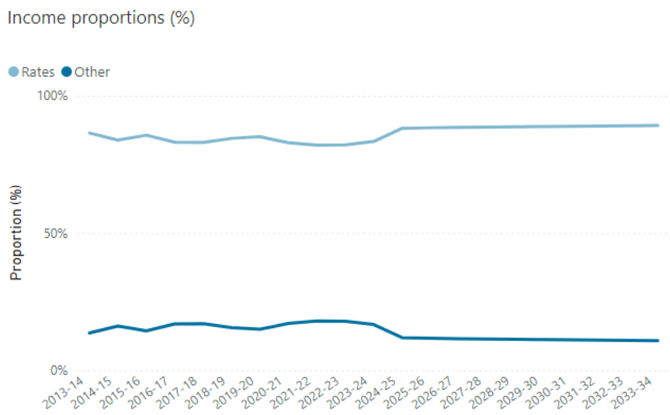
Current rate levels generally reflect the Council's ongoing costs of service provision and spending growth in operating and capital expenditure (particularly in employee costs, and depreciation charges, which have increased in real terms).

61 From 2013-14 to 2022-23.

62 CPI Adelaide (all groups) increased by 2.6 percent per annum on average over the period from 2013-14 to 2023-24, based on historical ABS statistics. Available at https://www.abs.gov.au/statistics/economy/price-indexes-and-inflation/consumer-price-index-australia/.

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Figure 17: Income proportions (%)



The majority of the Council's income comes from ratepayers (approximately 83.8 percent on average over the period 2013-14 to 2022-23, see Figure 17), and therefore the Council predominantly remains reliant on its rate base for its operating sustainability. Income from grants is the second largest funding source for the Council, accounting for approximately 8.2 percent on average over the same historical period.

The Council has relatively average 'general rates' compared to similar councils; however, this also reflects its relatively low rate-levels for residential ratepayers, and higher average rates for non-residential ratepayers.[63]

6.3 Projected rate increases for 2024-25

The Council has budgeted for an average rate increase of 6.25 percent or $99 per residential property, and $551 per commercial property in 2024-25,[64] including 2.0 percent to expand the Council's tree canopy coverage. These proposed rate increases are higher than the Council anticipated charging for the year 2024-25 in its 2023-24 ABP projections of 2.9 percent.[65]

The rates increase (and forecast variations) are based on revisions to Deloitte Access Economics CPI forecasts (for Adelaide) as well as the additional rates imposts levied by the Council (which incorporate funding for specific projects and cost pressures).[66] The Commission also notes that the macroeconomic environment has tempered somewhat compared to the previous 12 months, and while these were not generally unexpected at the time, CPI has been above the RBA's long-term target range (of 2.0 – 3.0 percent per annum).[67]

63 Refer to Councils in Focus rates data for 2021-22 available at: https://councilsinfocus.sa.gov.au/councils/city_of_charles_sturt. The Commission is not relying on these rate comparisons for its advice; the data source provides one indicator, among many, which has informed its advice on the appropriateness of the rate levels. Other rate charges such as for waste management and the regional landscape levy do not form part of this comparison.

64 City of Charles Sturt, *Annual Business Plan 2024-25,* June 2024, pp. 41 and 44. Individual rate level changes may be higher or lower depending on the rates category and property value.

65 City of Charles Sturt, *Annual Business Plan 2023-24,* June 2023, p. 23.

66 Based on the Council's 2024-25 Draft ABP and previous 2023-24 ABP, and comparing the anticipated rate increases for 2024-25. The Council's final 2024-25 ABP has the same rate increases proposed in its draft ABP.

67 CPI Adelaide (All groups) increased by 4.8 percent and 4.3 percent in the year to December 2023 and year to March 2024 quarter, respectively. Available at https://www.abs.gov.au/statistics/economy/price-indexes-and-inflation/consumer-price-index-australia/latest-release#data-downloads.

The Council's rates increase in 2024-25 of 6.25 percent reflects the following:[68]

- the Deloitte Access Economics CPI forecast of 2.75 percent
- a 0.5 percent rates impost for the previously adopted Digital Futures project
- a 1.0 percent rates impost for rising technology and infrastructure costs, and
- a 2.0 percent increase to fund the 'Tree Canopy' initiative adopted by the Council in October 2023.[69]

The Council has also assumed 1.0 percent growth in rateable properties (consistent with its historical average and Valuer-General estimates) for the purposes of its current planning period (and its required rates revenue). The Council states these growth forecasts are verified by its planning and development department annually and are expected to continue into the foreseeable future.[70]

Different (or differential) rate categories apply to ratepayers based on the land use category of rateable property;[71] with the Council seeking to ensure that the rate burden (or increases from year-to-year) remains relatively constant between classes of properties. As such, most ratepayers' categories are expected to experience the same or similar average increases in 2024-25 (of 6.25 percent).[72]

On a proportional revenue basis, residential ratepayers account for around 70.0 percent of 2024-25 budgeted rates revenue, followed by commercial (21.8 percent), and industrial (4.2 percent). The Council regularly updates its rating structure (and rating policy) to account for changes in capital valuations (through changes in the 'rate in the dollar').[73] This policy appears to ensure the Council maintains the relative rates revenue contributions from each category. However, the reasons (or bases) for the Council's current differential rating policy are not clear, and the Commission considers there might be some benefit in setting out for ratepayers the principles it has adopted for its rating structure.

Other than 'general rates' revenue (which represents around 96.9 percent of total rates revenue in 2022-23),[74] the Council collects income from the Regional Landscape Levy (around 2.7 percent of total rates revenue respectively), though it does not retain these funds.

6.4 Projected further rate increases

Over the forward years of its LTFP, the Council has projected average rates increases for its existing ratepayers of approximately 2.6 percent per annum from 2024-25 to 2033-34,[75] slightly higher than its average historical increases (of 2.3 percent per annum), but in line with projected CPI increases of 2.6 percent per annum. Council has considered several long-term planning assumptions as part of its annual review. The Council appears to incorporate appropriate indexation forecasts, which influence the Council's costs projections and rates revenue projections. As previously indicated, the Council has not projected any operating deficits over the period to 2033-34.[76]

The Council's 2024-25 LTFP effectively projects a cumulative increase of $563 per existing ratepayer (to $2,770 per annum) by 2033-34, which is consistent with the RBA-based inflation forecast of an average

68 City of Charles Sturt, *Draft Annual Business Plan 2024-25,* April 2024, p. 68. Available at https://www.yoursaycharlessturt.com.au/annual-business-plan-202425.

69 The Council has an objective to increase the amount of shade to 25 percent across the City by 2045 with an additional 3,000 trees in 2024-25 being funded by a 2.0 percent rate increase in 2024-25. See City of Charles Sturt, *Annual Business Plan 2024-25,* April 2024, pp. 6 and 18.

70 City of Charles Sturt, *Annual Business Plan 2024-25,* June 2024, p. 53.

71 'Land use' categories consist of residential, commercial, industry, primary production, vacant land, and other.

72 The Commission notes a council can use a range of charging structures, however our advice generally relates to all financial contributions made by ratepayers.

73 Section 152(1) of the LG Act provides that a general rate may be a rate based on the value of the land subject to the rate (commonly referred to as the 'rate in the dollar').

74 Before discretionary rebates.

75 Based on the Council's Financial Reporting template provided to the Commission. This appears in line with the Council's forecast rate increase assumptions published in its 2024-25 ABP (including its LTFP), indicating annual rate increases ranging from 3.3 percent (in 2025-26) to 2.5 percent (in 2033-34).

76 City of Charles Sturt, *Annual Business Plan and Budget 2024-25,* June 2024, p. 15.

of 2.6 percent per annum[77] (refer to Figure 16).[78] As a result of further rate increases, the percentage of the Council's total income contributions from ratepayers is projected to average around 88.8 percent, which is marginally higher than its historical average of around 83.8 percent, indicating there is not a material shift in funding required from ratepayers relative to the Council's other sources of income (such as grants, subsidies and contributions, statutory charges, and user charges).

6.5 Affordability risk

Affordability risk among the community for these further rates increases appears to be moderate, on balance, when considering:

- the Council's relative average socio-economic indexes for areas (SEIFA) economic resources ranking for the Council area[79]
- the effect of cumulative increases in rates per existing ratepayer of approximately 2.6 percent per annum to the period 2033-34, which is in line with the forecast rate of inflation, and
- a number of community concerns, with various written submissions received during the 2024-25 budget process; some expressing concerns about the 2024-25 rate rise of 6.25 percent and suggesting that the funding for the Tree Canopy initiative be spread across multiple years.[80]

Affordability risk can also be viewed in the context of the Council's asset sustainability risks, evident from uncertainty around the valuation of its assets and any further updates to its asset management planning and LTFP projections. The associated implications for depreciation, renewals expenditure and the relevant ratios could mean that the community is exposed to further rate increases.

6.5.1 The Commission's advice on affordability risk

The Council's community consultation processes appear comprehensive and transparent, and it regularly seeks community feedback on proposed projects and initiatives.[81] The Council has used a range of approaches and media channels to inform its community on its proposed plans and, as a result, receives a high level of engagement.[82] In general, the written responses showed that a significant proportion of respondents are supportive of the Council's budget bids (such as the Flinders Park Tennis Club Court and Lighting Upgrade; and St. Clair Oval No 2 – Contribution towards Community Facility and Sports Lighting), but also raised concern for the suggested rate increase and seeking more savings.

77 The forecast average annual growth in the CPI from 2025-26 to 2033-34 is estimated to be 2.6 percent based on the RBA forecasts for the CPI (Australia-wide) to December 2026 (and the Commission's calculations of average annual percentage growth) and the midpoint of the RBA's target range (2.5 percent) from 2026-27.

78 The CPI forecasts in the chart are based on RBA forecasts and then a return to long term averages (2.5 percent per annum), and this can be different to Council's own inflation and rate increase assumptions.

79 The City of Charles Sturt area is ranked 32 among 71 South Australian '*local government areas*' (including Anangu Pitjantjatjara and Maralinga Tjarutja Aboriginal community areas and 'unincorporated SA') on the Australian Bureau of Statistics SEIFA Index of Economic Resources (2021), where a lower score (e.g., 1) denotes relatively lower access to economic resources in general, compared with other areas, available at https://www.abs.gov.au/statistics/people/people-and-communities/socio-economic-indexes-areas-seifa-australia/2021.

80 See City of Charles Sturt, *Corporate Services Committee Agenda and Reports – 3 June 2024, Item 4.20 Corporate Services Committee Agenda and Reports,* p. 8, available at https://www.charlessturt.sa.gov.au/__data/assets/pdf_file/0025/1611961/Corporate-Services-Committee-Meeting-3-June-2024-UPDATE.pdf.

81 See City of Charles Sturt, *Public Consultation Policy*, available at https://www.charlessturt.sa.gov.au/__data/assets/pdf_file/0018/162306/Public-Consultation-Policy.pdf.

82 The Council sought community engagement through online and written submissions; community drop-in event; and through verbal submissions at Council meetings (in total 110 submissions were received by the Council). Further details are available at https://www.yoursaycharlessturt.com.au/annual-business-plan-202425.

Overall, the Commission recommends that the Council:

7. **Continue** the good practice of consulting with the community on its SMPs and on proposed rate increases.

7 The Commission's next advice and focus areas

In the next cycle of the scheme, the Commission will review and report upon the Council's:

- ongoing performance against its LTFP estimates and how it has incorporated updates to asset valuations and depreciation, including the sequencing of the plan updates to ensure that the LTFP is informed by current values
- the identification and reporting of cost savings and operating efficiencies
- capital expenditure programs, including how it has continued to provide funding to the renewal of its assets, and
- updates to its asset management plans, and associated updates to its capital expenditure projections and asset condition assessments.

8 Appendix: Glossary of terms

Item	Explanation
ABS	Australian Bureau of Statistics
AMP	Asset management plan (also called an IAMP)
ARFR	Asset Renewal Funding Ratio Since 2013, the asset renewal funding ratio has been defined as: Asset Renewal Expenditure ÷ IAMP Renewal Expenditure Where IAMP Renewal Expenditure is that required according to the IAMP.
Commission	Essential Services Commission, established under the *Essential Services Commission Act 2002*
CPI	Consumer Price Index (Adelaide, All Groups)
Council	City of Charles Sturt
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
NFLR	Net Financial Liabilities Ratio Net Financial Liabilities are defined as: Total Liabilities LESS Current Assets (Cash and Cash Equivalents) LESS Current Assets (Trade and Other Receivables) LESS Current Assets (Other Financial Assets) LESS Non-Current Assets (Financial Assets - excluding equity accounted investments in council businesses) The net financial liabilities ratio is: Net financial liabilities ÷ Total Operating Income
OSR	Operating Surplus Ratio The Operating Surplus (Deficit) is defined as: Total Operating Income LESS Total Operating Expenses

Item	Explanation
	The Operating Surplus Ratio is defined as: Operating Surplus (Deficit) ÷ Total Operating Income
Regulations	*Local Government (Financial Management) Regulations 2011*
RBA	Reserve Bank of Australia
SEIFA	Socio-Economic Indexes for Areas
SMP	Strategic management plan
The scheme or advice	Local Government Advice Scheme

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APPENDIX 5: COMPLIANCE WITH THE LOCAL NUISANCE & LITTER CONTROL ACT 2016

(a) the number of complaints of local nuisance or littering received by the council.	Number of Requests
Amenity	133
Amenity – Animal related nuisance	34
Insanitary Conditions	4
Dust	67
Light	23
Noise	239
Odour	25
Smoke	20
Vibration	1
Illegal Dumping Non-Safety Risk	2885
Illegal Dumping Public Safety Risk	401

(b) the number and nature of;		Number of Offences
(i) offences under the Act that were expiated;		
Causing local nuisance (Body Corporate)	LNLCA18-2-(a)	5
Causing local nuisance	LNLCA18-2(b)	12
Person must cease Local Nuisance if asked	LNLCA20	0
Dispose of Class A Hazardous Litter (natural person)	LNLCA22-1a	0
Dispose of Class A Hazardous Litter (Body Corporate)	LNLCA22-1a-1	0
Dispose Over 50l Class B Hazardous/General Litter (natural person)	LNLCA22-1b(ii)	5
Dispose Over 50l Class B Hazardous/General Litter (Body Corporate)	LNLCA22-1b(i)	1
Dispose up to 50 litres Class B Hazardous Litter	LNLCA22-1c	2
Dispose up to 50 litres General Litter	LNLCA22-1d	6
Bill Posting	LNLCA23-1	0
Failing to comply with a litter or nuisance abatement notice	LNLCA30-9	3
(ii) offences under the Act that were prosecuted;		
Nil		
(iii) nuisance abatement notices or litter abatement notices issued;		
7		
(iv) civil penalties negotiated under section 34 of the Act;		
Nil		
(v) applications by the council to the Court for orders for civil penalties under section 34 of the Act and the number of orders made by the Court on those applications;		
Nil		

(c) any other functions performed by the council under the Act.	Number of Requests
Local Nuisance Exemptions issued under Section 19 of the Act.	34



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