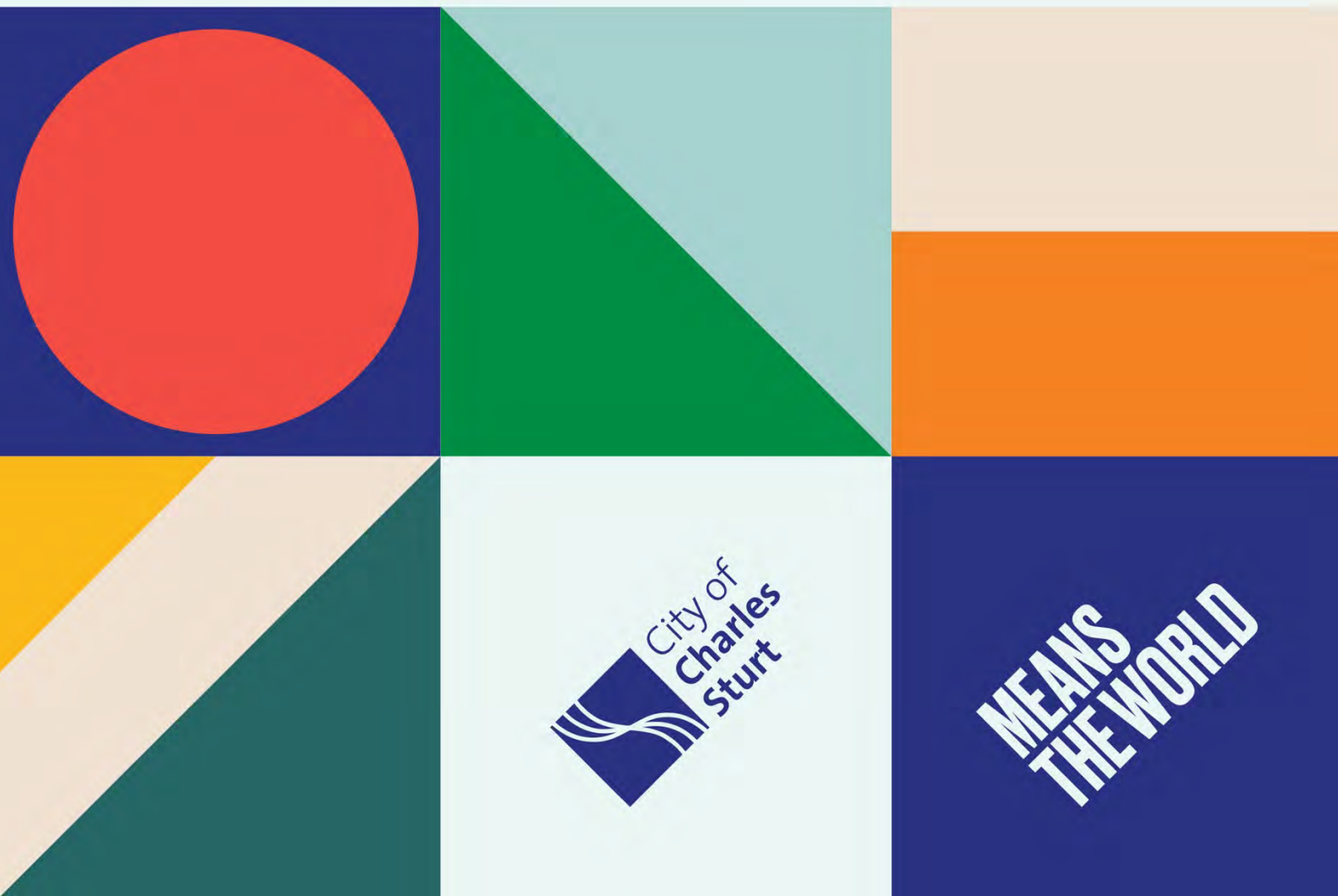


ANNUAL REPORT

2024/25



**MEANS
THE WORLD**

Contents

Acknowledgement of Country.....	1	Flagship 2: Community Renewable Energy Program	50
A Message from the CEO.....	2	Flagship 3: Central Precinct - Your Neighbourhood Plan	51
Facts About Charles Sturt in 2024/25.....	3	Flagship 4: Local Centre Revitalisation.....	52
Our Council.....	4	Underpinning Themes.....	53
Elected Members	5	Budget and Financials	55
Council and Committee Structure	6	Key Financials.....	55
Council Meeting	6	Expenditure.....	59
Asset Management Committee.....	7	Corporate Credit Cards	59
Audit and Risk Committee.....	8	Legal	59
Council Assessment Panel	9	Auditor	59
Building Fire Safety Committee	10	Travel	59
City Services Committee.....	11	Gifts.....	59
Corporate Services Committee	12	Subsidiaries	60
Operations Committee.....	13	CAWRA – Central Adelaide Waste and Recycling Authority	60
Strategic and Engagement Committee.....	14	Competitive neutrality.....	60
Council and Committee Meeting Attendance Summary	15	National Competition Policy	60
Council and Committee Meeting Item Summary	16	Purchasing and Tendering.....	61
Elected Member Training & Development.....	17	Accountability	62
Elected Member and Independent Member Allowances	20	Section 270 Local Government Act 1999	62
Representation Quota	22	Internal Review of Council Decisions	63
Representation and Elections.....	22	Compliments.....	64
Elector Representation Review Process	23	Complaints	65
Council Employees	24	New or Increase Service Requests	66
Our Senior Leadership Team	25	Elected Member Behavioural Management Policy	67
Our Employees	25	Confidentiality.....	68
Our Workplaces.....	27	Confidential Provisions	68
Strategic Management.....	29	Confidential Items.....	70
Local Neighbourhoods.....	31	Freedom of Information (FOI).....	74
Valuing Nature.....	34	List of Public Available Documents	75
Vibrant Places.....	38	Code of Practice	75
Connecting and belonging.....	41	Council By-Laws	75
Our Transforming City	45	Registers and Codes	75
Flagship Initiatives	48	Local Nuisance and Litter Control Act and Regulations	76
Flagship 1: Tree Canopy Strategy	49	Appendices.....	77

Appendix 1: General Purpose Financial Statements for the year ended 30 June 2025.....	77
Appendix 2: CAWRA (Central Adelaide Waste and Recycling Authority) – Year End Audited Financial Statements 2024/25	78
Appendix 3: Audit and Risk Committee Annual Report 2024/25	79
Appendix 4: ESCOSA Report	80
Appendix 5: Compliance with the Local Nuisance and Litter Control Act 2016	81



ACKNOWLEDGEMENT OF COUNTRY

The City of Charles Sturt acknowledges and pays respect to the traditional custodians of the land, the Kurna people of the Adelaide Plains. We acknowledge Elders past and present. We respect their spiritual beliefs and connections to land which are of continuing importance to the Kurna people of today. We acknowledge the contributions and important role that Aboriginal people continue to play within our local community in Charles Sturt. We also respect the cultures of Aboriginal people visiting from other areas of South Australia and Australia.

A MESSAGE FROM THE CEO

This year's Annual Report looks a little different, as we present our first report guided by our new Community Vision - *A place to call home, a place where we belong*. The Vision captures what our community values most about living in Charles Sturt and sets a clear direction for the future. It shapes how we plan, deliver, and measure our work, ensuring every decision strengthens the places and connections which make our City special.

I'm proud to share that over the past year we've continued to deliver projects that make a meaningful difference, from neighbourhood upgrades and tree planting to renewable energy programs and modern community facilities.

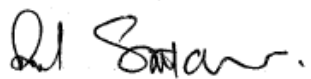
The opening of Ngutungka Henley was a standout achievement. The facility has been transformed into a vibrant hub for learning, creativity, and connection for our community. Across the City, work progressed on key streetscapes such as Hawker Street and Queen Street, improving accessibility and safety.

We continued to invest in sustainability, expanding our Tree Canopy Improvement Strategy with more than 5,000 new trees planted, and supporting residents through our Community Renewable Energy Program, which enabled 128 households access to affordable solar and battery systems. These initiatives are building a cooler, greener, and more resilient City for generations to come.

Our support for local business and community remained strong, with 76 businesses receiving grants, 32 Western Business Leader events fostering collaboration, and 25 community events supported through sponsorships. Each reflects our ongoing commitment to a vibrant and connected City.

Financial sustainability continues to underpin everything we do. This year, we maintained a strong and stable financial position while continuing to invest in renewal and future-ready infrastructure that supports our growing and changing City. Our Operating Surplus Ratio (4.3%), Net Financial Liabilities Ratio (29%), and Asset Sustainability Ratio (82%) all remained within target ranges, reflecting disciplined financial management and long-term stability.

As we look ahead, our focus remains on ensuring Charles Sturt continues to be an inclusive, sustainable, and connected community where people feel proud to belong.



Paul Sutton
Chief Executive Officer



FACTS ABOUT CHARLES STURT IN 2024/25



MAYOR - ANGELA EVANS



CEO - PAUL SUTTON

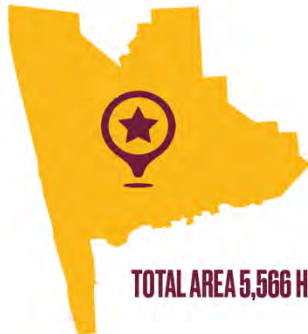


16 ELECTED COUNCILLORS



509.11 FULL TIME EQUIVALENT (FTE) EMPLOYEES

excluding casuals as at 30 June 2025



TOTAL AREA 5,566 HECTARES



471 PARKS AND RESERVES

Contributing to total of 511 hectares of open space



11.5KM LENGTH OF COAST



58,894 TONNES OF WASTE AND RECYCLABLE MATERIAL COLLECTED

58% of this material was diverted from landfill, primarily compostable waste, recyclables, and e-waste.



291 HA OF RESERVES MAINTAINED

(this excludes sportsgrounds)



11,918 TOTAL VACCINES ADMINISTERED



5 LIBRARIES



6 COMMUNITY CENTRES



612 NEW CITIZENS WELCOMED INTO OUR CITY



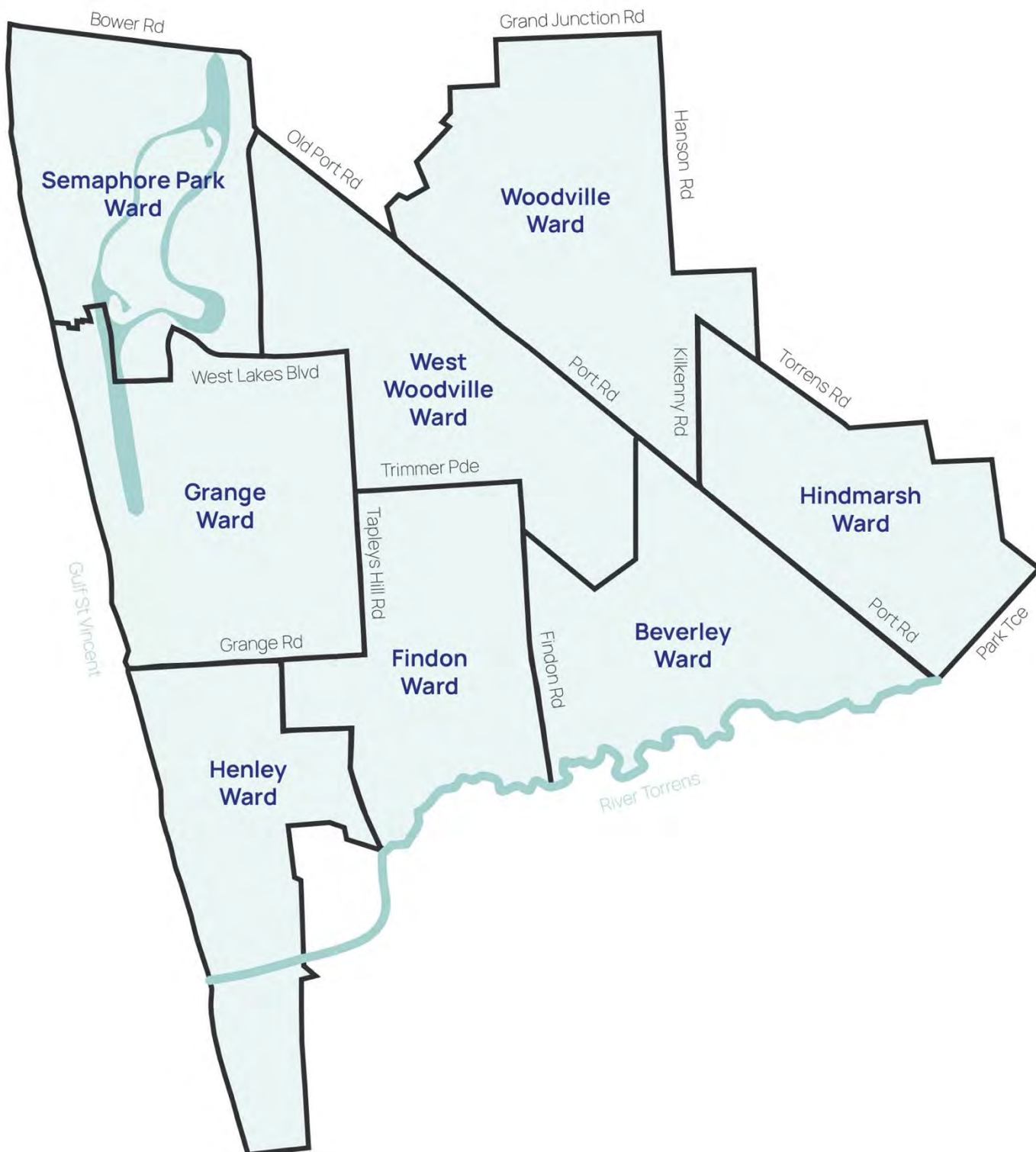
614KM OF ROADWAYS MAINTAINED



CITY OF CHARLES STURT POPULATION 129,196

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: Second and fourth Monday of each month at 7pm (except January and December where only one meeting is held) to consider:

- Reports from Mayor, Elected Members, Chief Executive and Council Employees
- Deputations, petitions, questions and motions on notice or without notice; and
- Statutory business, committee reports and recommendations

Full Council – Record of attendance from 1 July 2024 to 30 June 2025

	Meetings attended (of 23)	Leave of absence granted	Apology recorded
Mayor Evans	23	0	0
Cr Agius	23	0	0
Cr Campbell	18	0	5
Cr Chidambaranathan	18	1	4
Cr Fardone	20	0	3
Cr Ghent	21	0	2
Cr Kinsella	20	0	3
Cr Le Lacheur	19	0	4
Cr Mazeika	18	0	5
Cr McEwen	17	1	5
Cr Ppiros	22	0	1
Cr Scheffler	17	0	6
Cr Thomas	20	0	3
Cr Tran	23	0	0
Cr Tullio	21	0	2
Cr Turelli	20	1	2
Cr van den Nieuwelaar	17	0	6

Asset Management Committee

Presiding Member Cr Chidambaranathan

Membership Mayor (ex-officio), Presiding Member and seven Councillors

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

- All strategic asset management issues facing the Council; and
- Forward program planning.

Reports to Council with recommendations in the form of committee minutes.

Asset Management Committee - Record of attendance for 1 July 2024 to 9 December 2024

Please note: The Mayor is ex-officio of 2 Committees that meet concurrently and as such, is able to attend either one on any occasion. Apologies are not required to be recorded.

	Meetings attended (of 5)	Leave of absence granted	Apology recorded
Mayor Evans (ex officio)	1	0	Not Recorded
Cr Agius	5	0	0
Cr Campbell	5	0	0
Cr Chidambaranathan	5	0	0
Cr Fardone	3	0	2
Cr Ghent	5	0	0
Cr Scheffler	3	0	2
Cr Thomas	5	0	0
Cr Turelli	4	1	0

Audit and Risk Committee

Presiding Member Cr Turelli 1 July 2023 to 29 October 2024, Cr Le Lacheur from 9 December 2024

Membership Presiding Member, two other Councillors and three independent members from 1 July 2023 to 29 October 2024.

Presiding Member, one other Councillor and three independent members from 9 December 2024 to 30 June 2025.

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

The Audit and Risk Committee have 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.

Audit and Risk Committee - Record of attendance for 1 July 2024 to 30 June 2025

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

	Meetings attended (of 4)	Leave of absence granted	Apology recorded
Mr Brass*	4	0	0
Ms Dawber*	3	0	1
Mr Spadavecchia*	3	0	1

*Independent Committee Members.

	Meetings attended (of 4)	Leave of absence granted	Apology recorded
Cr Turelli*	2 (of 2 meetings)	0	0
Cr Chidambaranathan	2	1	1
Cr Le Lacheur	2 (of 2 meetings)	0	0

*Non-continuing Audit and Risk Committee Members following Council Meeting 9 December 2024 Item 6.117

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 to consider:

As an Authority under the Planning Development and Infrastructure Act 2016.

Notified applications where any one of the following apply:

- Applications where representations have been received and the representor(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.

Council Assessment Panel – Record of attendance from 1 July 2024 to 30 June 2025

	Meetings attended (of 12)	Leave of absence granted	Apology recorded
Ms Johnston Presiding Member	9	2	0
Ms Rutt	11	0	0
Mr Tully	10	1	0
Mr Smith	11	0	0

*Independent Committee Members

	Meetings attended (of 12)	Leave of absence granted	Apology recorded
Cr Agius	5	0	0
Cr Ppiros Deputy Member	6	0	0

Building Fire Safety Committee

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

Meets Bi-monthly, usually on the first Tuesday or the first Thursday.

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.

Membership of the Building Fire Safety Committee (BFSC) shall consist of:

- The following staff being a person appointed by the Council and who holds prescribed qualifications in building surveying:
 - Marija Vjestica;
 - Byron Edwards;
 - Danny Hardi;
 - Tony Travaglione; or
 - Elio Calo.

Only one staff member from this list will participate on the Committee at any one time.

- A person approved by the Chief Officer of the South Australian Metropolitan Fire Service as being an authorised MFS officer under Part 3 Division 5 of the Fire and Emergency Services Act 2005;
- Dennis Farrow, Marija Vjestica or Byron Edwards being a person appointed by the Council as a person with expertise in the area of fire safety.

For the 2024/25 financial year the committee met 5 times, and 2 properties were inspected this financial year.

Throughout the year Council Building Surveying Officers reported back to the Building Fire Safety Committee about the progress of the fire safety upgrades of the 26 properties with BFSC actions.

4 properties have completed the required fire safety upgrades this financial year. There are currently 25 properties that are being monitored by Councils Building Surveying Officers for the BFSC that are currently having their Fire Safety Services upgraded or require upgrading.

City Services Committee

Presiding Member: Cr van den Nieuwelaar

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

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

- All social and community services issues and framework
- Strategic Planning
- Economic Development
- Development Policy

Reports to Council with recommendations in the form of committee minutes.

City Services Committee - Record of attendance for 1 July 2024 to 9 December 2024

Please note: The Mayor is ex-officio of 2 Committees that meet concurrently and as such, is able to attend either one on any occasion. Apologies are not required to be recorded.

	Meetings attended (of 4)	Leave of absence granted	Apology recorded
Mayor Evans (ex officio)	1	0	Not Recorded
Cr Kinsella	3	0	1
Cr Le Lacheur	4	0	0
Cr Mazeika	3	0	1
Cr McEwen	4	0	0
Cr Ppiros	3	0	0
Cr Tullio	4	0	0
Cr Tran	3	0	1
Cr van den Nieuwelaar	3	0	1

Corporate Services Committee

Presiding Member: Cr Campbell 1 July 2023 to 9 December 2024, Cr McEwen from 9 December 2024

Membership: Mayor (ex-officio), Presiding Member and eight Councillors from 1 July 2023 to 9 December 2024.

Mayor (ex-officio), Presiding Member and four Councillors from 9 December 2024.

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

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.

Corporate Services Committee - Record of attendance for 1 July 2024 to 30 June 2025

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

	Meetings attended (of 9)	Leave of absence granted	Apology recorded
Mayor Evans (ex officio)	9	0	Not Recorded
Cr Campbell	7	0	2
Cr Kinsella**	4 (of 5 meetings)	0	1
Cr Le Lacheur	7	0	2
Cr Mazeika*	2 (of 4 meetings)	0	2
Cr McEwen	6	0	3
Cr van den Nieuwelaar*	1 (of 4 meetings)	0	3
Cr Thomas*	1 (of 4 meetings)	0	3
Cr Tran*	4 (of 4 meetings)	0	0
Cr Turelli*	3 (of 4 meetings)	1	0
Cr Fardone**	5 (of 7 meetings)	0	2

*Non-continuing Corporate Services Committee Members following Council Meeting 9 December 2024 Item 6.117

** New Corporate Services Committee Members following Council Meeting 9 December 2024 Item 6.117

Operations Committee

Presiding Member Cr Chidambaranathan

Membership Mayor (ex-officio), Presiding Member and five Councillors

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

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.

Operations Committee - Record of attendance for 9 December 2024 to 30 June 2025

Please note: The Mayor is ex-officio of 2 Committees that meet concurrently and as such, is able to attend either one on any occasion. Apologies are not required to be recorded.

	Meetings attended (of 4)	Leave of absence granted	Apology recorded
Mayor Evans (ex officio)	1	0	Not Recorded
Cr Agius	4	0	0
Cr Campbell	4	0	0
Cr Chidambaranathan	3	1	0
Cr Fardone	2	0	2
Cr Ghent	3	0	1
Cr Scheffler	4	0	0

Strategic and 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

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.

Strategic and Engagement Committee - Record of attendance for 9 December 2024 to 30 June 2025

Please note: The Mayor is ex-officio of 2 Committees that meet concurrently and as such, is able to attend either one on any occasion. Apologies are not required to be recorded.

	Meetings attended (of 4)	Leave of absence granted	Apology recorded
Mayor Evans (ex officio)	4	0	Not Recorded
Cr Kinsella	2	0	2
Cr Le Lacheur	2	0	2
Cr Mazeika	4	0	0
Cr McEwen	1	0	3
Cr Ppiros	3	0	1
Cr Tullio	4	0	0
Cr Tran	4	0	0

Council & Committee Meeting Attendance Summary

Please Note: Mayor Evans is ex-officio of 2 Committees that meet concurrently and as such, is able to attend either one on any occasion.

	Total Meetings Attended	Out of Maximum Possible Meetings
Mayor Evans	39	49
Cr Agius	37	44
Cr Campbell	34	41
Cr Chidambaranathan	28	34
Cr Fardone	30	39
Cr Ghent	29	32
Cr Kinsella	29	36
Cr Le Lacheur	34	42
Cr Mazeika	27	35
Cr McEwen	28	40
Cr Ppiros*	34	43
Cr Scheffler	24	32
Cr Thomas	26	32
Cr Tran	34	35
Cr Tullio	29	31
Cr Turelli	29	34
Cr van den Nieuwelaar	21	31

*Deputy Member of Council Assessment Panel meetings can only attend in the absence of the appointed member of Council.

	Total Meetings Attended	Out of Maximum Possible Meetings
Mr Brass	4	4
Ms Dawber	3	4
Ms Johnston	9	12
Mr Rutt	11	12
Mr Smith	11	12
Mr Spadavecchia	3	4
Ms Tully	10	12

Note: All listed individuals are Independent Committee Members.

Council & Committee Meeting Item Summary

The following table shows the number of items considered by Council and its various Committees during 2024/25, compared with figures from the previous three years.

	2021/22	2022/23	2023/24	2024/25
Council	146	150	128	129
Asset Management Committee	81	64	77	34
Audit and Risk Committee	35	22	29	35
City Services Committee	37	27	39	19
Corporate Services Committee	37	41	48	37
Council Assessment Panel	52	48	35	35
Operations Committee	-	-	-	20
Strategic and Engagement Committee	-	-	-	35
Total	388	352	356	344

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. The Operations and Strategic Engagement Committee took effect on 9 December, replacing the Asset Management Committee and the City Services Committee.

Elected Member Training & Development

Conference Attendance for 1 July 2024 to 30 June 2025	
2025 National General Assembly, Canberra	Mayor Angela Evans Councillor – Merlindie Fardone Councillor - Katriona Kinsella Councillor – Nicholas Le Lacheur Councillor – Kenzie van den Nieuwelaar
2025 Local Government Association Ordinary General Meeting	Mayor Angela Evans
Deputy Mayor Forum	Councillor – Edgar Agius
2024 Local Government Association Annual General Meeting	Mayor Angela Evans
2024 South Australian Coastal Councils Alliance Coastal Forum	Councillor – Merlindie Fardone Councillor – Kenzie van den Nieuwelaar
2024 ALGA National General Assembly & Australian Council of Local Government	Mayor Angela Evans Councillor – Alice Campbell
Training Attendance for 1 July 2024 to 30 June 2025	
IPWEA – Infrastructure Asset Management Planning for Elected Members	Councillor – Nicholas Le Lacheur

Training Attendance for 1 July 2024 to 30 June 2025

Mid Term Refresh – 8.1 Values, Ethics and Behaviour (Behavioural)	Mayor Angela Evans Councillor – Edgar Agius Councillor – Michael McEwen Councillor – Nicholas Le Lacheur Councillor – Stuart Ghent Councillor – Rachele Tullio Councillor – Tom Scheffler Councillor – Merlindie Fardone Councillor – Kenzie van den Nieuwelaar Councillor – Senthil Chidambaranathan Councillor – Quin Tran Councillor – Kelly Thomas Councillor – Nicole Mazeika Councillor – George Turelli Councillor – Peter Ppiros Councillor – Alice Campbell Councillor – Katriona Kinsella
Mid Term Refresh – 8.2 Legal	Mayor Angela Evans Councillor – Edgar Agius Councillor – Michael McEwen Councillor – Nicholas Le Lacheur Councillor – Stuart Ghent Councillor – Rachele Tullio Councillor – Tom Scheffler Councillor – Merlindie Fardone Councillor – Kenzie van den Nieuwelaar Councillor – Senthil Chidambaranathan Councillor – Quin Tran Councillor – Kelly Thomas Councillor – Nicole Mazeika Councillor – George Turelli Councillor – Peter Ppiros Councillor – Alice Campbell Councillor – Katriona Kinsella

Training Attendance for 1 July 2024 to 30 June 2025

Mid Term Refresh – 8.3 Effective Council Meetings and Procedures	Mayor Angela Evans Councillor – Edgar Agius Councillor – Michael McEwen Councillor – Nicholas Le Lacheur Councillor – Stuart Ghent Councillor – Rachele Tullio Councillor – Tom Scheffler Councillor – Merlindie Fardone Councillor – Kenzie van den Nieuwelaar Councillor – Senthil Chidambaranathan Councillor – Quin Tran Councillor – Kelly Thomas Councillor – Nicole Mazeika Councillor – George Turelli Councillor – Peter Ppiros Councillor – Alice Campbell Councillor – Katriona Kinsella
Mid Term Refresh – 8.4 Financial Management	Mayor Angela Evans Councillor – Edgar Agius Councillor – Michael McEwen Councillor – Nicholas Le Lacheur Councillor – Stuart Ghent Councillor – Rachele Tullio Councillor – Tom Scheffler Councillor – Merlindie Fardone Councillor – Kenzie van den Nieuwelaar Councillor – Senthil Chidambaranathan Councillor – Quin Tran Councillor – Kelly Thomas Councillor – Nicole Mazeika Councillor – George Turelli Councillor – Peter Ppiros Councillor – Alice Campbell Councillor – Katriona Kinsella

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

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.

	Annual Allowance 1 July 2024 to 30 June 2025
Mayor Evans	\$110,500.40

Deputy Mayor	Annual Allowance 1 July 2024 to 30 June 2025
Cr Agius * (inclusive of Council Assessment Panel)	\$38,778.27

Council Members	Annual Allowance 1 July 2024 to 30 June 2025
Cr Campbell – Corporate Services Committee	\$33,516.78
Cr Chidambaranathan – Asset Management Committee	\$36,458.27
Cr van den Nieuwelaar – City Services Committee	\$33,516.78
Cr Turelli – Audit and Risk Committee	\$32,340.20
Cr Fardone	\$29,478.58
Cr Ghent	\$29,478.58
Cr Kinsella	\$29,478.58
Cr Le Lacheur – Audit and Risk Committee	\$33,596.65
Cr Mazeika – Strategic and Engagement Committee	\$33,596.65
Cr McEwen – Corporate Services Committee	\$33,596.65
Cr Ppiros - inclusive of Council Assessment Panel	\$32,958.58
Cr Tran	\$29,478.58
Cr Tullio	\$29,478.58

Cr Thomas	\$29,478.58
Cr Scheffler	\$29,478.58

Independent Members Audit and Risk Committee	Annual Allowance 1 July 2024 to 30 June 2025
Ms Dawber	\$1,800.00
Mr Brass	\$2,400.00
Mr Spadavecchia	\$1,800.00

Independent Members Council Assessment Panel	Annual Allowance 1 July 2024 to 30 June 2025
Ms Johnston	\$6,210.00
Mr Rutt	\$6,380.00
Mr Smith	\$6,600.00
Ms Tully	\$5,800.00

REPRESENTATION QUOTA

Representation & Elections

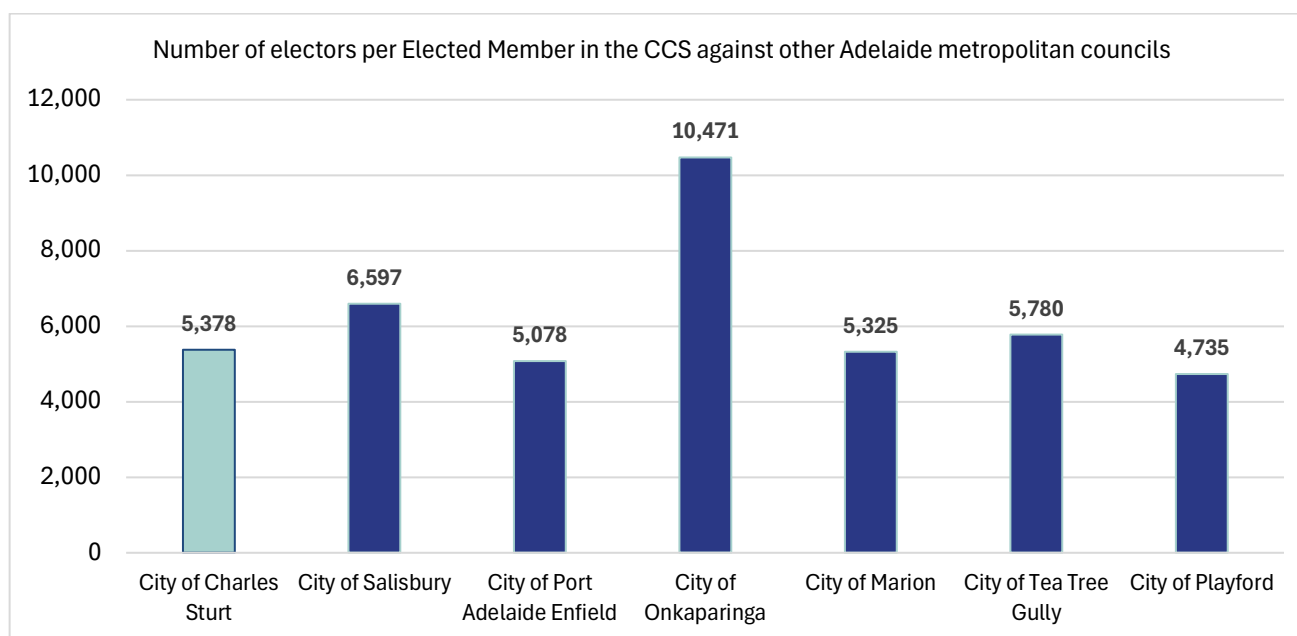
The City's total representation quota (the number of electors for each Councillor) is 1:5,378 (91,431 electors).

The Council has seventeen Elected Members, including the Mayor. The Mayor is elected from the whole community, and the 16 Councillors are elected by the residents of the City's eight wards.

The following table compares the City of Charles Sturt's representation quota with neighbouring and other comparable councils. The Representation Quota is determined by dividing the total number of electors for the area of the council by the number of members of the Council.

Metropolitan Councils	Number of Elected Members	Number of Electors	Ratio
City of Charles Sturt	17	91,431	5,378
City of Salisbury	15	98,968	6,597
City of Port Adelaide Enfield	18	91,409	5,078
City of Onkaparinga	13	136,132	10,471
City of Marion	13	69,237	5,325
City of Tea Tree Gully	13	75,143	5,780
City of Playford	16	75,775	4,735

The graph below compares the number of electors per Elected Member in Charles Sturt against other Adelaide metropolitan Councils. This data was sourced from the Local Government Association of South Australia in August 2025.



*Data Source: Electoral Commission SA August 2025 (available from LGA SA).

Elector Representation Review Process

Section 12 of the Local Government Act 1999 sets out the process councils must follow when undertaking an elector representation review. The review begins with the release of a Representation Report, which examines the advantages and disadvantages of various options, considers whether member numbers should be reduced, and whether the division of the area into wards should be abolished. The Report must also set out any proposal that Council believes should be implemented, supported by an analysis of how the proposal relates to the relevant principles and matters within the Act.

The Local Government Act 1999 also specifies the requirements and timeframes for conducting a review, including opportunities for public submissions at key stages. As part of the review, Council must prepare a report on the public consultation undertaken and outline any proposals it intends to implement. A final report is then compiled, incorporating any changes arising from the consultation process, and submitted to the Electoral Commissioner for certification. The Commissioner determines whether the review requirements have been met.

A review was undertaken in 2020 and finalised in 2021, with a further review undertaken in 2024/25.

Recent changes to the Local Government Act 1999 require Councils to comprise no more than 13 Members by the second Saturday of November 2026, unless the Council is granted an exception under the Act. The City of Charles Sturt has considered the requirements of this section of the Act in 2024/25, resulting in the Electoral Commission of South Australia (ECSA) granting an exemption in October 2025. As such Charles Sturt will retain its structure of 16 Elected Members and a Mayor voted at large by the community.

COUNCIL EMPLOYEES

Employees and management at the City of Charles Sturt serve the community by delivering the policies and strategic directions set by Council.

The Chief Executive Officer (CEO) is responsible for overall administration of the organisation and ensuring that Council's decisions are implemented. The CEO is supported by an executive team of four General Managers, who lead the divisions of City Futures, City Operations, Corporate Services, and Engaged Community. Within these divisions, Managers oversee individual portfolios that deliver services and programs for our community.



Paul Sutton
Chief Executive Officer



Adrian Ralph
General Manager
City Operations



Matt Romaine
General Manager
City Futures



Aly McGregor
General Manager
Corporate Services



Kristie Johnson
General Manager
Engaged Community



Dewald Hartzenberg
Manager
City Maintenance



Sam Adams
Manager
City Infrastructure



Kerrie Jackson
Manager
Governance & Risk



Kristy Noakes
Manager
Community Engagement &
Experience



Ben Michael
Manager
Performance,
BI and Improvement



Jamie Dunncliff
Manager
Construction & Delivery



Julie Vanco
Assessment Manager
Development Services



Amy Pearce
Manager
People & Culture



Bec Lyons
Manager
Community Connections



Shane Broadbent
Manager
City Utilities



Kelly Mader
Acting Manager
City Planning & Sustainability



Simon Armitage
Manager
Financial Services



Laura Watson
Manager
Community Health
& Safety



Sam Higgins
Manager
Property & Open Space



John Wills
Manager
Information Services



Grace Clark
Manager
Strategic Procurement

Our Senior Leadership Team

As at 30 June 2025, the Senior Leadership Team was made up of the Chief Executive Officer (CEO), 4 General Managers and 16 Managers. The Senior Leadership Team is responsible for inspiring our teams to provide important services to our community. It is also responsible for leading the culture within our organisation, and providing excellent customer and people experience to provide rewarding careers at the City of Charles Sturt.

As at 30 June 2025, the following five people held senior executive positions with the City of Charles Sturt:

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

Remuneration packages for the Senior Leadership Team ranged from \$219,419 to \$410,530 per annum and were inclusive of 11.5% compulsory superannuation.

16 packages include the provision of a motor vehicle for unrestricted private use with relevant staff making a salary contribution on a salary sacrifice basis towards vehicle costs.

The senior executive packages, excluding CEO, included 6 weeks annual leave.

Our Employees

The tables below provide information relating to employees, trainees and apprentices as at 30 June 2025 shown as Full Time Equivalent (FTE), and by headcount and gender. All numbers exclude agency and casuals as at 30 June 2025.

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

Full-Time Equivalent (FTE) excluding Casuals

Division	Permanent	Contract	Total
Chief Executive's Office	5.00	2.00	7.00
City Futures	64.00	13.48	77.48
City Operations	219.74	3.00	222.74
Corporate Services	53.20	15.50	68.70
Engaged Community	105.31	27.88	133.19
Total	447.25	61.86	509.11

Note: Of the 509.11 FTE, 30 FTE are funded through capitalisation to deliver our capital program of works.

Employee Headcount by Gender excluding Casuals

Division	Males	Females	Total
Chief Executive's Office	5	2	7
City Futures	43	41	84
City Operations	203	20	223
Corporate Services	29	45	74
Engaged Community	43	116	159
Total	323	224	547

Exits and Absenteeism

For the 2024/25 financial year:

- Employee turnover was 9% in the white-collar workforce and 8% in the blue-collar workforce and 7% (white collar) and 7% (blue collar) when excluding casuals, fixed term contract employees and Council initiated terminations.
- Absenteeism due to sick leave was 9.72 average days per employee for the financial year.

Our Workplaces

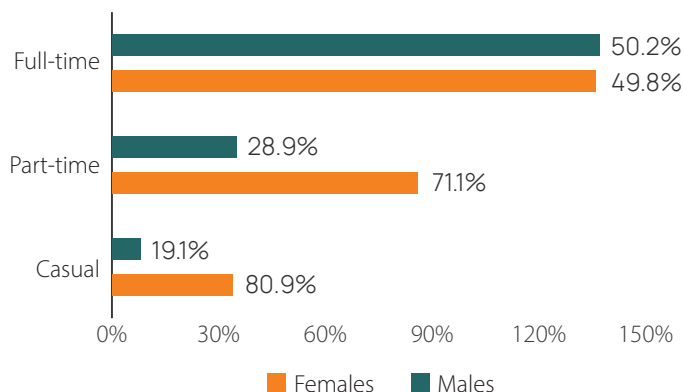
Total Workforce
(not including casuals)



Indoor Workforce



Employment Type – By Headcount



Outdoor Workforce



LEADERSHIP SPHERE OF INFLUENCE



Executive Team: 40% female (2 of 5)



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

KEY INITIATIVES:

- Celebrated International Women's Day on Saturday, 8 March.
- Strengthened the Leadership sphere of influence from 25% to 40% through organisational restructure.
- Commenced planning to optimise the Human Resource Information System to enable improved diversity reporting.
- Commenced work on a Diversity and Inclusion Strategic Plan to guide future actions and priorities.

Values

Our workplace culture continues to shape how we serve our community and support one another. Guided by our core values, Caring, Passionate, Courageous and Progressive, we're focused on delivering great customer experiences while creating meaningful, purpose-led careers for our people. These values remain central to how we recognise contributions, build strong connections, and foster a respectful and inclusive working environment. This continued focus on our values was brought to life through key events such as our All Staff Forum and the 'Recognising Our Values' celebration, both of which highlighted the everyday contributions of our people and the importance of collaboration and recognition in the workplace.

Structure

This year, we undertook our first broad organisational restructure in nearly two decades, an important step in aligning how we work with our Community Vision and our commitment to placing customers at the heart of everything we do. The restructure has seen the organisation reorganised into four new divisions: City Futures, Engaged Community, City Operations, and Corporate Services. Either directly or indirectly, the change impacted the entire organisation and was underpinned by a strong, well-developed change management approach. Employees were engaged throughout the process, with a clear understanding of why change was needed and how it would support better outcomes for both our people and our community. Since implementation, teams have worked collaboratively to embed the change, showing strong adaptability, shared ownership, and a positive commitment to new ways of working.

Engagement

This year, we introduced our Employee Engagement Survey tool, marking a key milestone in how we understand and strengthen the employee experience. The insights gained have allowed us to take informed action—both across the organisation and within individual teams—to support and improve engagement, connection, and wellbeing. This approach enables us to respond to what matters most to our people and to create targeted initiatives that have real impact.

Employee Development

We also continued to support the growth and development of our employees through a refreshed suite of learning opportunities. Our focus on professional development reflects our commitment to building capability and confidence at all levels. New and expanded programs have been delivered to support leadership development, skill enhancement, and personal growth. These offerings are designed to help individuals thrive in their roles and contribute meaningfully to the organisation and the community we serve.

By listening to our people, aligning how we work with our shared purpose, and investing in their development, we are shaping a workplace where individuals feel supported, valued, and empowered to do their best work.

STRATEGIC MANAGEMENT

In May 2024, Council endorsed our Community Vision: A place to call home, a place where we belong. Our Community Vision creates a clear and collective understanding for the future of our City. It is a public commitment to work together to make our shared vision a reality. This Strategic Management section of this Annual Report focuses on achievements against this Vision.

Our Community Vision is guided by a clear framework, which includes one unifying vision, five key theme areas, twenty-one outcomes to guide our priorities, four major flagship initiatives and four underpinning pillars.



Throughout 2024/25, work commenced to develop our new Organisational Plan 2025–2030, aligned with our Community Vision. The Organisational Plan was finalised in the first half of 2025/26, with the progress of achievements to be reflected in the next Annual Report.

The following pages report on our progress of achievements aligned to our five theme areas and underpinning themes. The symbols used to report on key outcomes are as follows:



-  Complete
-  In progress
-  Action required
-  Delayed



LOCAL NEIGHBOURHOODS

Under this theme, our goal is to improve neighbourhood facilities, amenities, and public spaces so residents have easy access to services, feel connected, and take pride in their local areas.

Our Community Vision identifies key priorities under this theme to achieve our vision. Here's how we progressed each priority in 2024/25 aligned to Annual Operating and Capital Projects:

Key Priority	Status	Comments
Revitalise our local centres	 	Detailed specification and designs for the Tapleys Hill Road Revitalisation Upgrade Program (Royal Park & Hendon) were completed during the year, with construction anticipated to occur throughout 2025/26. Initial local engagement and consultation occurred on the public realm upgrades of Alicia Street / Hammond Road, Athol Park. Further consultation, engagement with property owners, and detailed designs will occur in 2025/26 to explore opportunities to revitalise this local suburban centre.
Support community to connect, gather and build relationships	  	Each council ward was allocated \$22,000 to directly provide support to build up local communities. These allocations of money were spent on a wide range of key projects, like the provision of 500 free meal packs (2000 meals) to those in the community who are in need. Welcomed 138,479 participants to programs across libraries and community centres, fostering opportunities for people to come together, share experiences, and strengthen community connections. The completion of the Ngutungka Henley Library was one of council's biggest achievements in 2024/25. This redevelopment transformed the older library and community centre into a modern, spacious integrated hub that combines a library, community kitchen, meeting rooms and flexible space for workshops and performances.
Assist business to adapt, innovate and grow through capacity building and grants	  	In 2024/25, we strengthened business resilience and growth through targeted support, funding, workshops, and networking opportunities. Specifically, we: Provided grant funding to 76 businesses to drive innovation and build capacity. Delivered 32 Western Business Leader events fostering collaboration, knowledge-sharing, and industry connections. Delivered 7 Connecting Women in Business – Women in the West events to elevate the visibility, leadership, and influence of women in business.
Foster and celebrate diverse community activities		Through our Events and Festivals Sponsorship Program, we supported 25 events in 2024/25, offering a diverse range of activities that foster cultural and social enrichment and support community connections. Some events to note include the incredibly popular BRIXPO event at the

		St Clair Recreation Centre, Adelaide Fringe Drum and Bass on a Bike event, the Cyprus Festival and Christmas in the Square.
Connect people to their local neighbourhoods with improved infrastructure and streetscapes	      	Undertake major streetscape renewals, incorporating Power Line Undergrounding (PLEC) works, significantly improving the amenity and visual appeal of the area. We continued our investment in high quality walking and cycling paths, linking areas to one another and encouraging sustainable transport. Hawker Street Streetscape progressed throughout the year and will be completed early 25/26. This area has been transformed, providing a safer, more attractive environment for the community. We installed new play equipment at Wilford Reserve. The new play equipment included a climbing play structure and a springers see-saw play equipment, appealing to older kids. Concrete edging was installed to contain the new play area and to integrate it with the existing playground. A red gum log was also installed into the new play area as an additional play element. The first stage of the Renown Park living streets program progressed strongly throughout the year, laying the foundations for a greener, walkable area. Queen street streetscape was constructed and completed, with the Elizabeth Street upgrades set to commence construction in September 2025 Designs were finalised for the Gibson Street Streetscape upgrade, setting up for construction in 2025/26.
Celebrate our unique history and neighbourhoods	  	We delivered local place making and cultural heritage projects that strengthened community identity and connection by activating neighbourhoods and celebrating cultural heritage. We shared local history through exhibitions, collections, storytelling and digital literacy, increasing community access and engaging diverse audiences in meaningful ways. Our Libraries introduced the state's first Media Conversion station in December 2024 assisting community members to preserve and share their treasured family photos, slides and videos.



VALUING NATURE

Under this theme, we focus on protecting and enhancing our natural environment, reducing emissions, and building a greener, more sustainable City for future generations.

Our Community Vision identifies key priorities under this theme to achieve our vision. Here's how we progressed each priority in 2024/25 aligned to Annual Operating and Capital Projects:

Key Priority	Status	Comments
Retain and expand the tree canopy on both private and public land		Council's commitment to the Tree Canopy Improvement Strategy commenced, aiming to achieve 25% tree canopy coverage across our City by 2045. In 2024/25, this included recruiting new staff and planting 3,030 trees under the strategy, along with a further 2,194 trees planted through our regular tree planting activities.
Deliver a community renewable energy program		We ran the Community Renewables Program for its second year, allowing our community to access affordable solar and battery solutions and be part of a long-term vision to establish a local renewable energy network. Throughout 2024/25, one information session and one flash bulk-buy offer were held. Over 70 residents attended the in-person sessions. These activities resulted in 128 households signing up to the scheme, with the program continuing to run in 2025/26.
		Solar Panels and batteries were installed at both Pedlar Reserve (Seaton Ramblers) and the Model T Ford Club (Port Road). The installation of this infrastructure at these facilities will aid the clubs to reduce operational costs and have positive environmental benefits.
Protect our environment by being a leader in nature-based design		In 2024/25, major works were undertaken to develop an 8,000 m ³ stormwater detention facility at Gleneagles Reserve, greatly enhancing flood mitigation in the area.
		Sub surface drainage improvement, in addition to irrigation renewal works at St Clair Oval Number 2 were completed. This project will ensure year-round turf quality, reduce the impacts of erosion and contribute to a greener oval, therefore delivering urban cooling benefits.
		Stormwater quality improvements in a number of streets via the installation of raingardens in the Tracey Avenue Catchment were completed this year, demonstrating our commitment to water sensitive urban design and improving the quality of stormwater run-off that enters the River Torrens.
Empower our community to reduce emissions and the impact of climate change on our environment		Our new <i>AdaptWest in Action Plan to 2030</i> was developed which will guide our western regional partnership climate change adaptation work with our community.
		We supported our Mission Possible community group to work collaboratively with our community to reduce emissions.

	 We ran the Sew it Don't Throw It course from the Brocas Youth Centre, in partnership with TAFE SA, to provide skills in creating new clothing by upcycling old clothing. The course provided skills in sewing and design, whilst embedding sustainability principles.
	 It is estimated that approximately 47% of household across our City have had solar PV systems installed to absorb sunlight and convert into electricity.
Improve our biodiversity by maximising the opportunities for creation of wild and green spaces	 Throughout the year, we have compiled and prepared key spatial datasets (canopy cover, permeable surfaces, reserve, wetlands and biodiversity important areas) to support comprehensive decision making for future opportunities. We are currently undertaking comprehensive biodiversity corridor analysis to identify existing corridors, highlight gaps, and pinpoint the opportunities not only to connect, but also to enhance the richness and biodiversity across the City.
Advocate and work with State Government to keep our beaches and waterways healthy	 Council advocated to the State Government for measures that protect and improve our beaches and waterways. This has included exploring sustainable and suitable strategies for effective sand management across our beaches, and more recently, ensuring an effective response to the <i>Karenia</i> algal bloom. We continue to work to ensure these vital natural assets remain clean, healthy, and resilient for the future.
	 The transformation of the open space between Tapleys Hill Road and the river mouth, which began in February 2022, has now been completed, delivering a vibrant new community space. The once utilitarian suburban drain is now a flourishing wetland and recreation area, featuring around 245,000 locally grown trees, extensive new lawns, and a mix of forested patches. Visitors can enjoy sheltered picnic areas, scenic lookouts, upgraded and extended shared pathways, improved lighting, and new trails to the water's edge. This significant redevelopment, a collaboration between Green Adelaide, the Cities of Charles Sturt and West Torrens, and state and federal governments, marks an environmental and recreational legacy for the community.
Work together to reduce waste to landfill and promote a circular economy	 Soft Plastics Recycling Pilot, Phase 2: is running in collaboration with the City of Port Adelaide Enfield, Adelaide City Council and Soft Plastics Stewardship Australia. The City of Charles Sturt have signed up 3000 households who were issued with packs of special orange bags to collect soft plastics and recycle via CAWRA in the yellow lid bin.
	 Throughout 2024/25, Council continued its weekly FOGO (Food Organics and Garden Organics) waste trial across 1,200 households in Tennyson and Seaton. Focus groups conducted in June and July 2024 confirmed strong community support for the program. By early 2025 the trial was diverting 61% of food waste from landfill far above the 8% captured outside of the trial. During the year Council was awarded an additional \$100k grant from Green Industries SA, setting the groundwork for a larger future trial or program.

Advocate to the State Government for stronger environmental focus in planning policy	 	Council endorsed the submission of various State led Code Amendments and used the opportunity to advocate for stronger environment focus on planning policy. We advocated for more clarity over open space requirements for proposed dwelling types within the Accommodation Diversity Code Amendment; and stronger policy on soft landscaping requirements (particularly when assessing associated structures such as, pools and verandas), as part of the Assessment Improvements Code Amendment.
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VIBRANT PLACES



VIBRANT PLACES

Under this theme, we focus on creating lively spaces that foster community interaction, cultural expression, and local economic activity.

Our Community Vision identifies key priorities under this theme to achieve our vision. Here's how we progressed each priority in 2024/25 aligned to Annual Operating and Capital Projects:

Key Priority	Status	Comments
Embrace community-led design		We continue to work closely with the community on place making and activation through the delivery of public art and cultural initiatives.
Activate and enhance public spaces in partnership with local traders and the creative sector		We activated and enhanced the public realm through projects such as the West Beach Road Placemaking Lighting and Art project, creating a safer, more vibrant space that celebrates local character and encourages community use.
		We supported local businesses through Shop Local Façade Improvement and Customer Experience Grants, along with Live and Local Grants that foster involvement in the local economy and strengthen community vibrancy.
		We delivered Coastal Sounds for the fifth year in partnership with the City of PAE, transforming 11 beachfront locations into a vibrant coastal trail of live music, dance, and art that brought families and communities together.
		The Woodville Town Hall continued to be an incredibly popular venue to host a range of events throughout 2024/25. A total of 118 events were held at the venue, with a combined attendance of 54,046 people.
Attract and partner with major event organisers to ensure their success		We supported the delivery of 20 local events and festivals through our Events & Festivals Grants Program. We also undertook a review of our Events and Festivals Sponsorship Fund to strengthen community outcomes and build local capacity through more sustainable, impactful events.
Support arts and cultural groups to help shape our City		Through the Arts and Cultural Grants Program, we supported 18 Arts initiatives and 6 Live and Local events, enabling local artists and organisations to deliver creative projects that strengthened community identity, encouraged participation, and expanded access to the arts.
		Our libraries and community centres hosted diverse programs, exhibitions and learning opportunities, giving residents creative outlets to participate, learn and celebrate culture while strengthening community identity.
Encourage and support shop owners and traders to enhance customer and visitor experience		An internal review of our outdoor dining process identified we permitted approximately 970 seats across the City in 2024/25. The review found that there is an opportunity for some additional businesses to implement outdoor dining on Council land, to support economic outcomes and enhance vibrancy and visitor experience. Work will occur in 2025/26 to enhance accessibility of information regarding outdoor dining and investigate opportunities to streamline the application process.

		11 local businesses were supported through Shop Local Customer Experience and Façade Improvement Grants, helping traders enhance their shopfronts and customer experiences, and contributing to more attractive, welcoming precincts for the community and visitors.
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CONNECTING AND BELONGING



CONNECTING AND BELONGING

Under this theme, we focus on fostering a safe, inclusive City where everyone feels welcome, valued, and able to connect, engage, and thrive.

Our Community Vision identifies key priorities under this theme to achieve our vision. Here's how we progressed each priority in 2024/25 aligned to Annual Operating and Capital Projects:

Key Priority	Status	Comments
Involve, engage and listen to diverse perspectives of community		31 formal community engagement projects were delivered in the year, with 4,549 contributions made. Projects that represented the highest level of engagement were the City-wide community survey (857), the proposed lease and licence over the Woodville Oval precinct (490) and the St Clair Proposed Community Facility (411).
Be equitable with our decision making and resource allocation		Work commenced on the development of our City Plan, an important strategy that guides the future investment of new infrastructure and advocacy on the requirement for new social infrastructure. It is anticipated the first City Plan will be presented to Council for endorsement in 2025/26.
Bring people together and accommodate their diverse needs through universal design		We created a Universal Design checklist for our playground programs. This comprehensive document ensures that all of our place's playgrounds are built for people of all abilities. Following this, universal design has been incorporated into our playground projects and more.
Connect and support communities' community groups and sporting clubs to actively support their communities		We offer a range of social discounts, which majority of our sports clubs are entitled to if they meet the criteria. The total discount is up to 45% for sporting and 55% for emergency service providers, like our surf lifesaving clubs.
		Woodville hockey club underwent lighting upgrades, with columns, lighting and infrastructure installed.
		Design work on changeroom upgrades at Woodville South Reserve is complete, with construction scheduled for 25/26.
		Sam Johnson Reserve Clubroom designs and consultation are complete, with construction to take place in 25/26. This project was delayed due to site conditions.
		We continue to support the nine formal Community Gardens, and formal and informal Greening Groups. Regardless of the type of garden, our Community Gardening initiatives are making a substantial contribution to not only the amenity of the City, but, to our community's wellbeing through the social connections, sense of community and belonging and reduced isolation and loneliness.
		The Fulham Cricket Club Cricket nets were upgraded, ensuring that our sporting facilities comply with Cricket Australia standards. There was also an additional cricket pitch installed. This is just one example, sports

		clubs and reserves across the City have had upgrades and renewals to their facilities throughout the 2024/25.
Promote opportunity and build capacity for volunteering		In 2024/25, 212 volunteers contributed 19,101 hours to our community. Behind these numbers are people who want to feel connected and give back to the community. While the sector continues to face challenges in retaining volunteers, we are always welcoming new faces and helping each person find a role that's meaningful for them and valuable for our community.
Advocate for and deliver equitable services and infrastructure that keep our diverse community healthy and safe		Hosted over 10,000 activity sessions across libraries and community centres, giving our diverse community opportunities to connect, learn, and stay healthy and active in safe and welcoming spaces.
		Easy Read Training provided to key staff across the organisation to enable the creation of Easy Read Documents for more inclusive and equitable communications.
		We completed Communication Access Training across our libraries, community centres and customer experience teams as part of a broader project to develop tailored communication tools for each site and its specific services. This work has enhanced the way we connect with community members of all abilities and has resulted in all libraries, community centres and customer contact points achieving formal Communication Access Accreditation, a national recognition of our commitment to inclusive and accessible services.
		Design, consultation and construction of new traffic control devices at identified high risk locations. Those being Stanley Street and Beaufort Street in Woodville and Reynell Street in West Croydon. Including new roundabouts and intersections for improved safety.
		Council provided a range of programs and services to support the health and wellbeing of our community. This included the inspection of food businesses to ensure adherence with the food laws, promoting responsible dog ownership and responding to dog attacks, dog nuisance and dog wandering concerns, providing a comprehensive childhood immunisation service, and delivering a broad range of other services to keep our community safe.
		A total of 104 vouchers were issued in the 2024/25. This assisted 98 dogs to be desexed and/or microchipped, and 6 cats to be desexed and/or microchipped. Microchipping rates for all dogs and cats registered in the Dogs and Cats Online system residing in the City are above 97% for cats and 98% for dogs. Desexing rates for dogs and cats is above 80% (this is due to some dogs and cats being used for breeding, are under 6months of age, or were born before 1 July 2018).
		Council completed the design and installation of new shade structures at Midcourse Reserve and Thomas Harkness Reserve, enhancing these parks with cooler, more comfortable spaces for community recreation.
		Council delivered 1.7 km of lighting improvements along the River Torrens Linear Park during the 2024/25 financial year. The works

		included upgrades and replacements in areas that had been affected by copper theft, resulting in previously dark sections of the path. Path closures were kept to a minimum, and all works were completed on schedule, enhancing safety and visibility for park users.
Actively deliver, review and refresh our Disability, Access and Inclusion Plan	  	Disability, Access & Inclusion Plan outcomes included 46 actions completed and ongoing, and 1 in progress. Planning and design for a public toilet upgrade at Point Malcom Reserve, including new DDA amenities. Construction is scheduled to take place in 25/26. A new, fully automated single use toilet cubicle was constructed at Fawk Reserve, with DDA compliant footpaths close by.
Ensure our older population is provided with care, support and assistance	  	Ageing Well supported 1,618 older residents through Commonwealth Home Support Program services. Wellbeing was supported through social participation programs, companion animal walks, fitness programs, support to maintain home environment, transport educational sessions and cultural events, fostering independence and community connections. The AVOID Frailty Partnership successfully recruited 60 citizen scientists in the final stage of the SA study. The Advance Care Directives Western Collaborative Project, funded by the Office of Ageing Well provided significant outcomes for community, delivering education workshops to a total of 917 residents, with 608 of those being from culturally and linguistically diverse backgrounds.
Celebrate and share the diverse cultures and backgrounds of our people	  	There has been an expansion of our Community Voices Intercultural Program with a scheduled monthly calendar that rotates across community centres and other venues. Our Community Connections team convened quarterly Western CALD Network meetings, bringing community leaders together to share information, strengthen partnerships and coordinate support for culturally and linguistically diverse residents. During NAIDOC week 2024, we offered a variety of workshops and art projects to celebrate and share first nations culture. Community centres hosted jewellery making, Marra Dreaming bookmark and placemat sessions, and basket-weaving workshops, along with weaving activities led by the Southern Elders Weaving Group.



OUR TRANSFORMING CITY



OUR TRANSFORMING CITY

Under this theme, we focus on investing in essential infrastructure and innovative projects that shape the future of our City, driving growth, connectivity, and accessibility.

Key Priority	Status	Comments
Develop a plan to improve liveability for the anticipated growth with the central precinct of our City		A Liveability Audit was conducted which assessed both precincts A and B for their social cohesion and wellbeing, Public open space and recreation, sustainable movement and transport, street quality, local employment and economy, walkability, and new and sustainable development. This was conducted to determine opportunities within the precincts before going out for community consultation.
		In 2024/25 a property was purchased in West Hindmarsh in anticipation of a future budget bid to improve local open space.
Advocate for a mixture of density and housing types to achieve housing affordability and liveability		Council provided a response to the Accommodation Diversity Code Amendment, which generally supported the State Government's proposal to create new policy for retirement facilities and supported accommodation and introduce a co-living land use definition. Includes measures that will help residents age in place, broaden housing choices and improve liveability.
Advocate for improved and expanded public transport services		Council provided a number of formal responses to State Government strategic plans (e.g., the new Greater Adelaide Regional Plan, The State Infrastructure Strategy, and the draft Public Transport strategy), addressing the importance of the necessity for public transport improvements.
Work to reduce the environmental impact of movement through the City		We continued to investigate opportunities to expand public EV charging infrastructure through existing contracts and emerging opportunities (e.g., SAPN partnership opportunities).
		We are progressing an approach to market seeking expression of interest to deliver sustainable service-led mobility solutions that respond to known transport challenges.
		A new Koala crossing was installed on Audley Street Woodville North, and improved pedestrian crossing facility at Atkin Street and White Street in Henley Beach, working towards making our City more walkable.
Protect, maintain and repurpose our heritage buildings and structures		Council continued to provide heritage conservation and significant and regulated tree maintenance grants. In 2024/25, there were 35 grant applications lodged and approximately \$25,000 provided. In May 2024, Council endorsed an increase in heritage grant payments and the inclusion of an energy assessment grant within the existing grants budget.
		Council is awaiting the Minister of Planning to determine if the Character Area Overlay Code Amendment will be initiated, therefore limited work on this project occurred throughout 24/25.

Ensure our Asset Management Plans anticipate and respond to growth and climate change	    	Gleneagles stormwater upgrade project nearing completion, with the project to be finalised by end of July 2025. This important work will help reduce the frequency of flooding in the area, both now and into the future, as rainfall intensity increases due to the impacts of climate change. Council continued to expand its alternative water supply to decrease our reliance on potable (drinking) water usage. The supply of non-potable water, principally to green and blue open spaces in the council area for amenity and urban cooling reached 1,176,000 kL in 2024/25. Our total water requirements increased 23%, largely due to low summer rainfall. Design and works commenced on five playgrounds, with Thomas Harkness and Flinders Park playgrounds completed. West Lakes Shore Oval, Ray Street Reserve, and Josiah Mitton Reserve are also nearing completion with the vast majority of works already completed. Council completed local flood-mitigation works at Stewart Street, Henley Beach, installing a new drainage system to reduce stormwater flooding and improve resilience for nearby homes and businesses. Council initiated investigations for Stage 1 of the Trimmer Parade Stormwater Upgrade, laying the groundwork for construction planned for 2025/26.
Work with State Government and Developers to deliver high quality and sustainable development		Council worked closely with Renewal SA to effectively plan and manage the significant construction activity occurring at Bowden. The focus of this activity was to proactively plan construction works to protect public infrastructure, support positive environmental outcomes and minimise adverse impacts to local residents. This work will continue as building activity continues to intensify in the precinct and will also be expanded to include the MAB development at the former Brompton gasworks site.
Protect and create new job opportunities and assist people to prepare for meaningful jobs of the future	 	We strengthened partnerships with industry, training providers, and government to deliver workforce development projects and promote local employment opportunities. Western Adelaide Jobs Expo 2025 which was held on 26th March at the Adelaide Entertainment Centre, attracting over 2,400 job seekers, 400 school students and 100+ exhibitors. The event featured a jobs board with 300+ vacancies and delivered workshops, resume writing support, and career advice, helping participants prepare for meaningful jobs of the future.
Advocate for a diverse and adequate mix of education and training opportunities	 	Partnerships for Training, Upskilling and Employment partnered with industry and training providers to deliver Self-Employment Assistance showcases and programs, Get Set workshops, and drop-in sessions for the community and schools. These initiatives support individuals to transition into both self-employment and employment, expanding training, upskilling, and career opportunities across the community. A key partner in the Local Jobs Taskforce, hosted Industry Tours and implemented the Investment Attraction Strategy. Conducted strategic

		engagement with industry across multiple sectors to drive investment, foster partnerships, and create employment opportunities. Our graduate program continued with multiple graduates starting their careers at council.
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FLAGSHIP INITIATIVES

To demonstrate our commitment to work together with our community, we have identified the following four flagship initiatives.



FLAGSHIP 1: TREE CANOPY STRATEGY



FLAGSHIP 2: COMMUNITY RENEWABLES ENERGY PROGRAM



FLAGSHIP 3: CENTRAL PRECINCT YOUR NEIGHBOURHOOD PLAN (YNP)



FLAGSHIP 4: LOCAL CENTRE REVITALISATION



FLAGSHIP 1: TREE CANOPY STRATEGY

Our Tree Canopy improvement strategy progressed throughout the 2024/25 financial year. Responding to concerns about climate change, urban heat, and biodiversity. The strategy includes a goal of achieving 25% canopy cover by 2045, transforming Charles Sturt into a greener, cooler, liveable City.

In 2024/25 we delivered a record planting program, with 5,224 trees planted across the City, including 3,030 under the tree canopy improvement strategy and 2,194 through business-as-usual planting. The suburbs that were prioritised were Seaton, Fulham Gardens, Flinders Park, and Findon, where more than 2,400 street trees were planted.

Across the year this has meant:

- 1,120 trees were planted across 207 streets in Seaton, Fulham Gardens, Flinders Park.
- 2,473 trees were planted across 208 streets as part of the broader financial year program.
- 600 trees were planted across 35 reserves to further expand shade and biodiversity.

Community engagement has been essential to the program, with more than 5,600 residents notified about upcoming works and 890 households directly consulted on tree species selections for their street. Majority of feedback from residents has been positive as many residents are recognising the long-term benefits of trees for shade, liveability, amenity, and climate resilience.



FLAGSHIP 2: COMMUNITY RENEWABLE ENERGY PROGRAM

Council has made a significant reduction in fuel, electricity and carbon emissions through a range of projects and initiatives. Alongside this, we have identified ways to help our community gain access to renewable energy. This enables residents to reduce their carbon footprint and manage rising energy and living costs.

In 2024/25, Council conducted a Flash community sale, leveraging the state battery rebate scheme. This attracted 188 registrations of interest and supported 28 households to install renewable energy systems like solar panels and batteries, with 93% of those customers joining the states virtual power plant (VPP). A community information event was also hosted which generated 375 registrations and lead to 71 households installing renewable energy systems, again with a high level of VPP participation (89%). In total, these events and programs supported 99 new customers to access solar and battery solutions, with the majority choosing combined solar and battery packages.

A council tender is also underway to explore battery and solar solutions for sporting and community clubs, further working to reduce operational emissions. Preparation has also commenced for a business-focused bulk-buy, which launched in August 2025, resulting in good participation from businesses and multiple businesses requesting quotes.



FLAGSHIP 3: CENTRAL PRECINCT - YOUR NEIGHBOURHOOD PLAN

Council continued to progress the Your Neighbourhood Plan (YNP) Program, which respond to local liveability changes and supports walkable, connected and climate-resilient suburbs.

In 2024/25 a liveability audit was conducted, covering two key central precincts.

- Precinct A: Cheltenham, Pennington, and St Clair
- Precinct B: Athol Park and Woodville North

This audit identified service gaps and opportunities to enhance our neighbourhood's liveability and was endorsed by Council on the 16 June 2025. Preparation also commenced for a focus group engagement process which is an excellent opportunity to engage with community members to voice their opinions and shape Councils' priorities for the project with sessions scheduled for late 2025 and early 2026.

Master planning for the Stroud Street precinct in Cheltenham also began during the year, integrating future neighbourhood improvements with already planned road rehabilitation and the Cheltenham community centre upgrade.



FLAGSHIP 4: LOCAL CENTRE REVITALISATION

Council is revitalising local centres to strengthen their roles as community hubs and improve amenity, safety and sustainability of these important areas. The program delivers public realm upgrades, façade improvements, and supports local businesses to better connect with their surrounding communities.

In 2024/25, detailed design work progressed for the Tapleys Hill Road Streetscape Project at Hendon and Royal Park. The project, which follows the recent Hendon Central Shopping Centre upgrade will provide greener, walkable, safer pedestrian infrastructure alongside enhanced amenity and improved road safety with construction scheduled to commence in 2025/26.

An independent assessment was undertaken used to conduct a “Place Check” which assessed the characteristics of the area and highlighted opportunities. This information was used to prepare concept plans for the Athol Park (Alicia Street) and Kilkenny (David/Wilpena Terrace) local centres. Community engagement on these concepts is planned for late 2025, ensuring the upgrades respond to local needs and aspirations.

Our four underpinning themes that will influence all that we do:



First Nations

We will acknowledge and embrace our Kaurua and First Nations history and communities working towards Reconciliation.



Responsible Governance

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



Excellence in Customer Experience and Service Provision

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



Story Telling and Connection

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



FIRST NATIONS

We strengthened our commitment to First Nations communities through active participation in the Western Adelaide Place-Based Partnership, finalisation of a First Nations Engagement Leader role, and the establishment of an Aboriginal Reference Group with co-designed Terms of Reference. Together with Elders and community representatives we developed a set of Principles of Engagement, centred on cultural safety, truth-telling, reciprocity and Closing the Gap. We also delivered a range of community events and activities celebrating First Nations cultures and embedded cultural markers and acknowledgements into key infrastructure projects, ensuring that respect for Kaurna culture and country is visible, celebrated and enduring across our City.

RESPONSIBLE GOVERNANCE

Council demonstrated strong governance by meeting all legislative annual reporting requirements, all statutory deadlines for Freedom of Information requests, undertook quarterly reviews of Council's confidentiality orders, capitalised all constructed assets in line with the Australian Accounting Standards (AASB 13) and achieved 100% completion of WHS Agreed Actions. To enhance risk management, an Initiative Risk Assessment Template was developed in alignment with the seven phases of the Initiative Delivery Manual.

Governance processes were strengthened by the implementation of the new Resolve system for management of Council and Committee meeting agendas, minutes and resolution tracking. Technology was modernised through the transition of Technology One (ERP) to Software as a Service (SaaS) and the implementation of Cyber Security SIEM/SOC Services.

All financial benchmarks were within target ranges demonstrating Council's strong financial position and sustainability. Council has governance processes in place to actively manage budgets to ensure sound financial management and identification of savings and productivity improvements.

EXCELLENCE IN CUSTOMER EXPERIENCE AND SERVICE PROVISION

We remained focused on delivering customer experience excellence by introducing key initiatives that make it easier for our community to connect with us. Building on the strong foundation of our CRM, we launched a new online customer portal and began developing additional features to enhance the experience further. The CRM now enables our community to report, track and resolve requests online 24/7, while also streamlining internal processes so requests reach the right teams faster. Already, more than 10% of customer requests are being submitted through the portal. We also completed a review of our contact centre rostering and software licences to ensure we continue to provide responsive, reliable support across all channels, including over the phone. Progress in customer experience and service provision is tracked through key indicators, including a Net Promoter Score of 44.4 and a Customer Satisfaction score of 80%.

STORY TELLING AND CONNECTION

We focused on building meaningful connections by sharing stories, achievements and opportunities that matter to our community. Through our free Kaleidoscope community magazine, range of e-newsletters, vibrant social media channels, and website presence, we reached more people than ever before including a 6.8% increase in Facebook followers, improved social media engagement and website visitation. We celebrated local milestones, promoted events and services, informed our community of key updates, and amplified the diverse voices that make our City unique. We also deepened the connections between our employees internally to enhance collaboration, cohesion and ultimately the delivery of services for our community. From digital media, outdoor and printed collateral to presentations at Council and committees, we continued to connect, inform, and inspire, strengthening relationships and pride in our City.

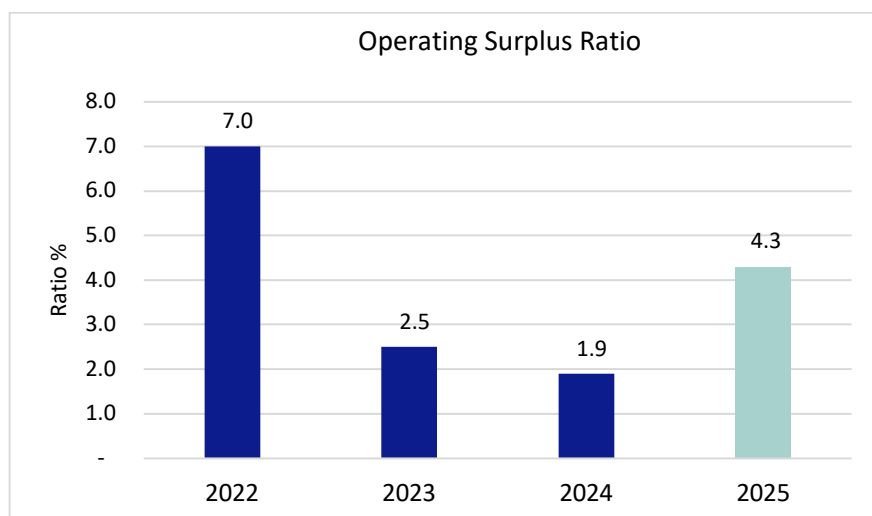
BUDGET & FINANCIALS

Key Financials

In 2024/25 all key financial ratios for financial sustainability were within benchmarks. Sustaining an operating surplus is important to maintaining our community assets and ensuring rate payers are paying for the services and assets they consume.

	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000
Rates Income	113,569	119,327	129,829	139,187
Total grants* (includes grants for new/upgraded assets)	16,224	19,270	9,849	23,167
Statutory charges	4,675	4,851	5,865	6,812
Other income	7,812	8,102	8,811	9,028
Gain Equity Accounted council businesses	0	0	0	0
Gain/(Loss) on disposal of assets*	(4,386)	(5,512)	(11,935)	(6,360)
Physical resources received free of charge*	3,093	2,440	12,645	10,332
Other Comprehensive Income (includes changes in revaluation, surplus and impairment expense)	0	207,053	1,128,360	391,469
Comprehensive Income Sub Total	140,987	355,531	1,283,424	573,635
Loss Equity Accounted council businesses	207	490	1,872	1,745
Employee costs	47,380	51,271	53,423	60,227
Depreciation	32,208	34,112	35,035	41,406
Finance costs	623	1,513	2,068	1,878
Materials, Contracts, Other expenses	48,290	54,278	57,640	59,057
Expenditure Sub Total	128,708	141,664	150,038	164,313
Operating Surplus (excludes profit on disposal, physical resources received free of charge and grants for new/upgraded assets*)	9,719	3,598	2,900	7,401
Net Surplus (excludes other comprehensive income)	12,279	6,814	5,026	17,853
Total Comprehensive Income (Income less Expenditure Subtotal – includes other comprehensive income)	12,279	213,867	1,133,386	409,332
Key Sustainability Ratios:				
Operating Surplus Ratio (target >0% and <10%)	7%	2.5%	1.9%	4.3%
Adjusted Operating Surplus Ratio (excl prepaid grants, target >0% and <10%))	6.7%	0.2%	3.2%	0.7%
Net Financial Liabilities Ratio (target <100%)	43%	44%	45%	29%
Asset Sustainability Ratio (target >80%)	93%	117%	133%	82%

1. Operating Surplus Ratio

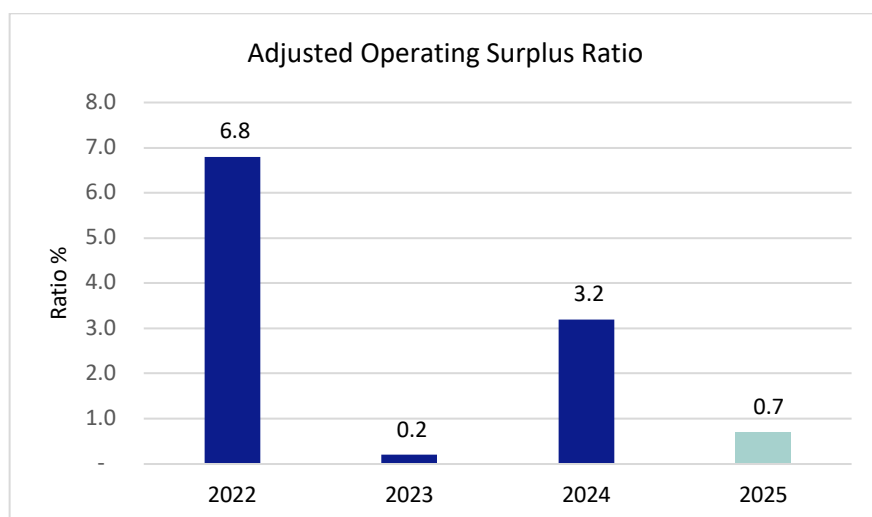


Purpose of the Operating Surplus ratio: This indicator is to determine the percentage the operating revenue varies from the operating expenditure.

2024/25 ratio 4.3% 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 4.3% is well within the target range which indicates strong financial performance and sustainability.

2. Adjusted Operating Surplus Ratio



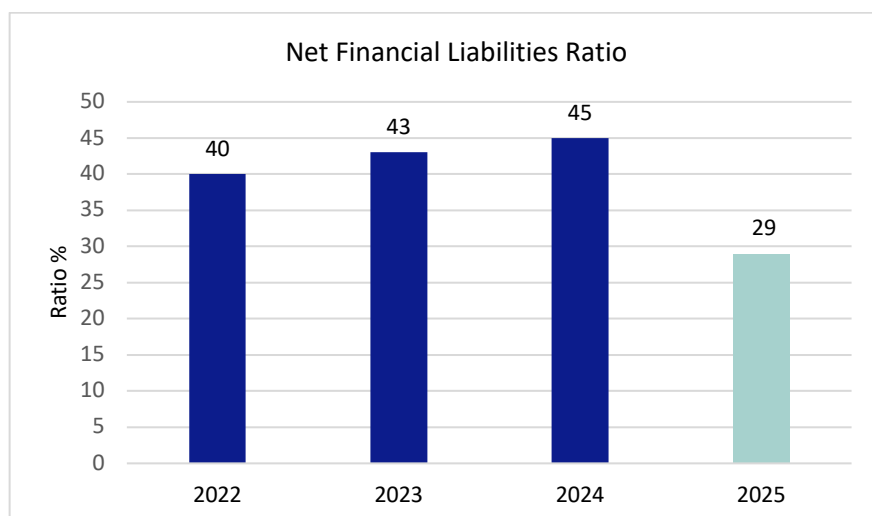
Purpose of the Adjusted Operating Surplus ratio:

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.

2024/25 ratio 0.7% commentary:

The Adjusted Operating Surplus ratio has been adjusted down due to the General-Purpose funding (Financial Assistant Grant) received in advance in June 2025. An Operating Surplus of 0.7% is lean and demonstrates Council is balancing community expectations for affordable rates with the need to maintain assets and deliver services.

3. Net Financial Liabilities Ratio

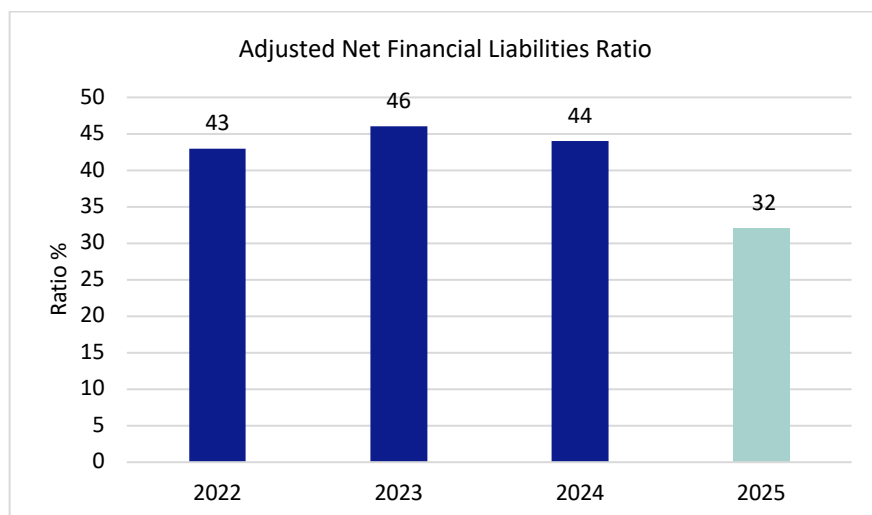


Purpose of the Net Financial Liabilities ratio: This indicator shows the significance of the net amount owed to others, compared to operating revenue.

2024/25 ratio 29% commentary:

Council has adopted a Net Financial Liabilities (NFL) Ratio target range between 0% and 100%. The result of 29% is well within this target range and indicates Council's capacity to fund additional infrastructure or undertake additional borrowings if required.

4. Adjusted Net Financial Liabilities Ratio



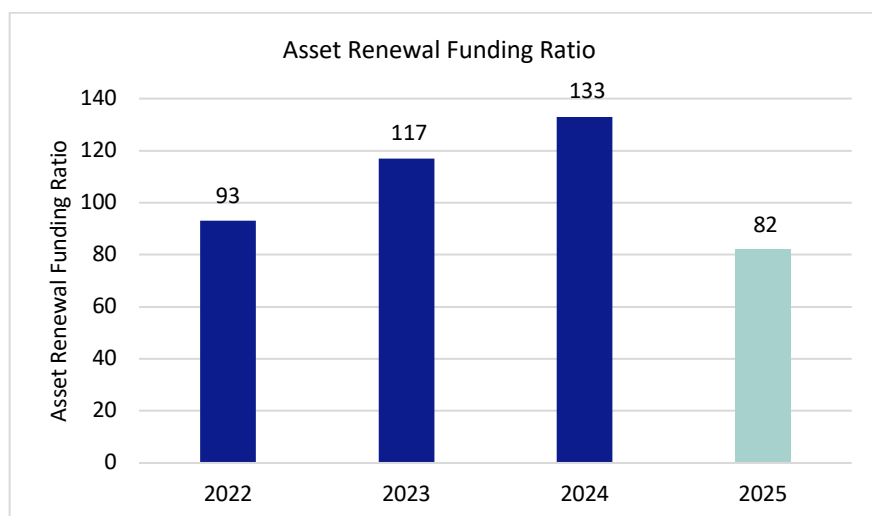
Purpose of the Adjusted Net Financial Liabilities ratio:

This indicator shows the significance of the net amount owed to others, compared to operating revenue, adjusted for the timing differences in the receipt of the General-Purpose funding (Financial Assistance Grant) and other grants of a capital nature.

2024/25 ratio 32% commentary:

The Adjusted Net Financial Liabilities Ratio has been adjusted for the impact of the General-Purpose funding (Financial Assistant Grant) received in advance in June 2025. The result of 32% is well within the target range and indicates Council's capacity to fund additional infrastructure or undertake additional borrowings if required.

5. Asset Renewal Funding Ratio



Purpose of the Asset Renewal Funding ratio:

This indicator aims to determine if assets are being renewed and replaced in an optimal way. The target is >80%.

2024/25 ratio 82% commentary:

The adopted Asset Management Plans (AMP) and the Long-Term Financial Plan (LTFP) both demonstrate 100% achievement over the next 10 years. This ratio can fluctuate each year due to the timing of completion of capital renewal projects. For 2024/25, projects such as the heavy fleet replacement and several other civil construction projects have seen delays due to supply chain issues, changes in scope and/or design and other external influences, which has contributed to this lower result. Staff are working proactively to ensure delivery of these projects in 2025/26.

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 are now formalising the process to identify savings and productivity improvements to strengthen performance and outcomes for our community.

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 2024/25 financial year Council spent \$375,157.81 via corporate credit cards.

Legal

In accordance with Section 131(1a) of the Local Government Act 1999, Council spent \$434,925.23 (GST inclusive) on legal expenses during the 2024/25 financial year.

Auditor

In accordance with Section 128(9) of the Local Government Act 1999, during the 2024/25 financial year, Council's external auditor was remunerated \$39,050.00 (GST inclusive) for the audit of Council's financial statements and other services.

Travel

In accordance with Regulation 35 (2) of the Local Government (General) Regulations 2013, during the 2024/25 financial year, Council spent \$7,282.08 (GST inclusive) on interstate travel undertaken by members and employees of the Council.

Gifts

In accordance with Regulation 35 (2) of the Local Government (General) Regulations 2013, during the 2024/25 financial year, Council spent \$0 on gifts for members and employees of the Council.

SUBSIDIARIES

CAWRA – 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 initially endorsed by both Councils in late 2019 and was updated in November 2021.

The CAWRA Annual Report for 2024/25 forms part of this Annual Report and is available in **Appendix 2**.

COMPETITIVE NEUTRALITY

National Competition Policy

It is an obligation under the Clause 7 statement on the Application of Competition Principles to Local Government and under the Competition Principles Agreement for each Council to include in its annual report certain relevant information. The City of Charles Sturt has assessed its activities and confirms:

- Council has determined it has no significant business activities as defined in the Clause 7 statement.
- Where Council has submitted a tender as part of a competitive process, cost-effective and competitive pricing has been applied to ensure compliance with the principles of competitive neutrality.
- No complaints were received during 2024/25.

PURCHASING AND TENDERING

Council is committed to the efficient, effective, and ethical use of resources, underpinned by accountable and transparent processes for procuring goods, services, and works. Our Procurement Policy is designed to deliver best value outcomes to the community while maintaining the highest standards of probity and professionalism.

When determining the most appropriate form of service delivery, Council considers a range of factors, including:

- Council's strategic directions and priorities;
- The need for Council to retain control over specific services;
- Risks associated with each delivery option;
- The level of competition in the marketplace;
- Current service delivery arrangements;
- The skills and resources available within Council's workforce;
- Applicable industrial awards and Enterprise Bargaining Agreements; and
- The benefits and opportunities linked to commercial activities or partnerships.

In fulfilling Council's procurement responsibilities, the following principles guide our approach:

- Transparency and accountability, ensuring purchasing procedures and decision-making processes are clearly defined and conducted in an open manner;
- Open and fair competition, providing all potential suppliers with reasonable opportunities to compete for Council contracts;
- Compliance with legislative, regulatory, and policy requirements;
- Partnerships with suppliers who share Council's commitment to sustainable and socially responsible outcomes;
- High standards of probity and professionalism, with decisions made ethically, impartially, and in the public interest;
- Opportunities for joint procurement initiatives, where appropriate, to leverage efficiencies and cost savings;
- Risk management practices that effectively identify and mitigate risks, with risk allocated to the party best able to manage it;
- Sustainable procurement practices, adopting approaches consistent with the principles of ecological sustainability wherever practicable; and
- Support for economic development, including longer-term contracting arrangements that build capacity within the local economy.

Where all factors are assessed as equal during the evaluation of quotations or tenders, preference will be given to local businesses.

Council is committed to maximising skills development and employment opportunities within the City. Where practicable and appropriate, procurement processes may incorporate strategies that support local employment and training outcomes, including requirements for contractors to engage apprentices, trainees, and cadets in delivering contracted services.

The appropriate method of purchase is determined by the expenditure thresholds and requirements set out in Council's Procurement Framework. In 2024/25 a total of 17 open tenders were called.

ACCOUNTABILITY

Section 270 Local Government Act 1999

The City of Charles Sturt is committed to delivering the highest level of customer service to the community and strives to achieve service excellence that is delivered in a professional, coordinated and timely manner. As part of this commitment Council recognises the importance of complaints, requests for service increase, compliments and all requests received are dealt with in a prompt, impartial and fair manner. The requests received provide the opportunity to gather information which may assist in the improvement of Council's services and operations.

Council has a corporate system where all requests are logged and managed and the table below details the 2,183 requests which fall within section 270 of the Local Government Act 1999 for the last financial year to 30 June 2025.

Section 270 Local Government Act 1999	Number of Requests
Internal Review of Council Decisions	5
*Complaints	911
**Compliments	712
*Feedback/Suggestion (Change, Increase, New)	380

**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.*

Internal Review of Council Decisions

Council's Internal Review of Council Decision Policy and Procedure provide clarity and definition on what constitutes a Council decision. This is important to understand when assessing requests received for an internal review of a Council decision.

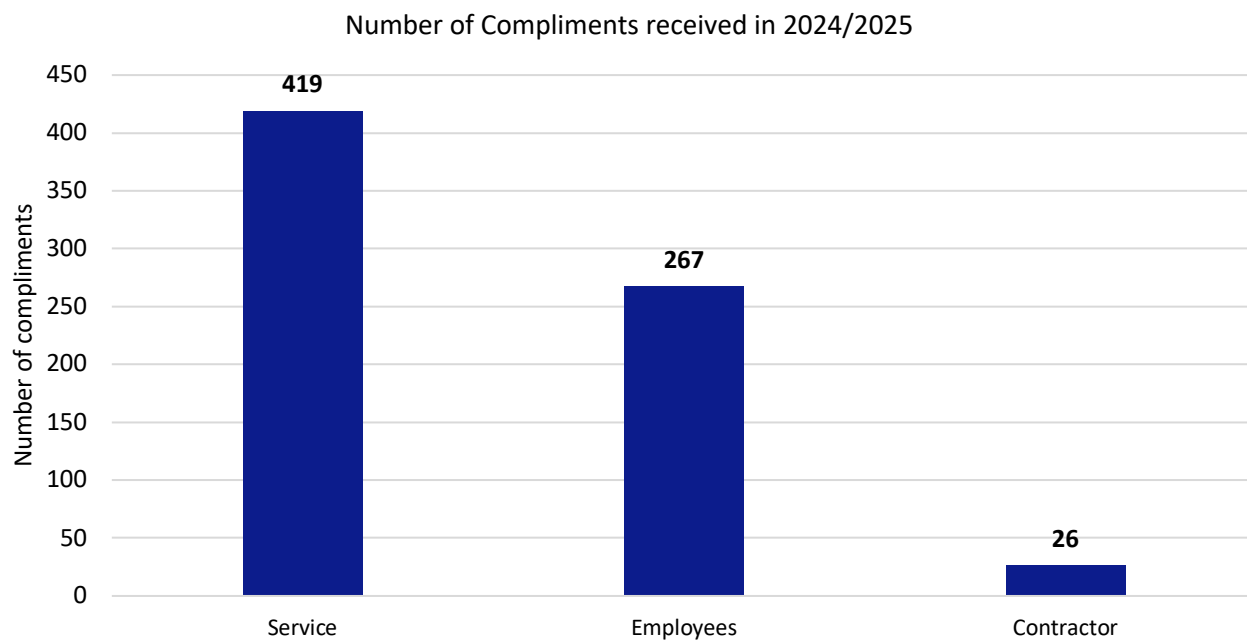
Council received 5 formal requests for internal review of a Council decision for the 2024/25 period and the table below provides details of the subject matter and outcome of this request.

Applicants are always advised of their right to also make a complaint directly to the Ombudsman.

Subject Matter	Outcome
Request 1 Requested a review of an administrative decision to enforce the removal of a privately installed fixture within a Council owned building.	The request was also received in complaint format at which time a decision was made to allow the privately installed fixture to remain in place.
Request 2 Requested a review of an administrative decision to take no enforcement action resulting from a barking dog investigation.	A suitable independent person was engaged to undertake the review. The final report revealed that all steps taken by Council staff were lawful and the original decision made by Council Staff was reaffirmed by the Chief Executive Officer.
Request 3 Requested a review of a decision made by the Council Assessment Panel (CAP) to accept a compromise proposal and subsequently granting planning consent.	The request for review was refused due to the application already being the subject of a review by another authority, namely the ERD Court.
Request 4 Requested a review of a decision of Council to rename a reserve.	A review was undertaken internally and the final report revealed that all steps taken by Council were lawful and the original decision made by the Council was reaffirmed.
Request 5 Requested a review of an administrative decision to refuse a request to remove a rain garden located directly in front of the applicants private premises.	The request was lodged within the reporting period but has not been finalised.

Compliments

A total of 712 compliments were received. Of these, 419 related to the quality of services delivered, 267 recognised Council employees for their commitment to providing exceptional customer experiences, and 26 commended contractors or contracted services engaged by Council.



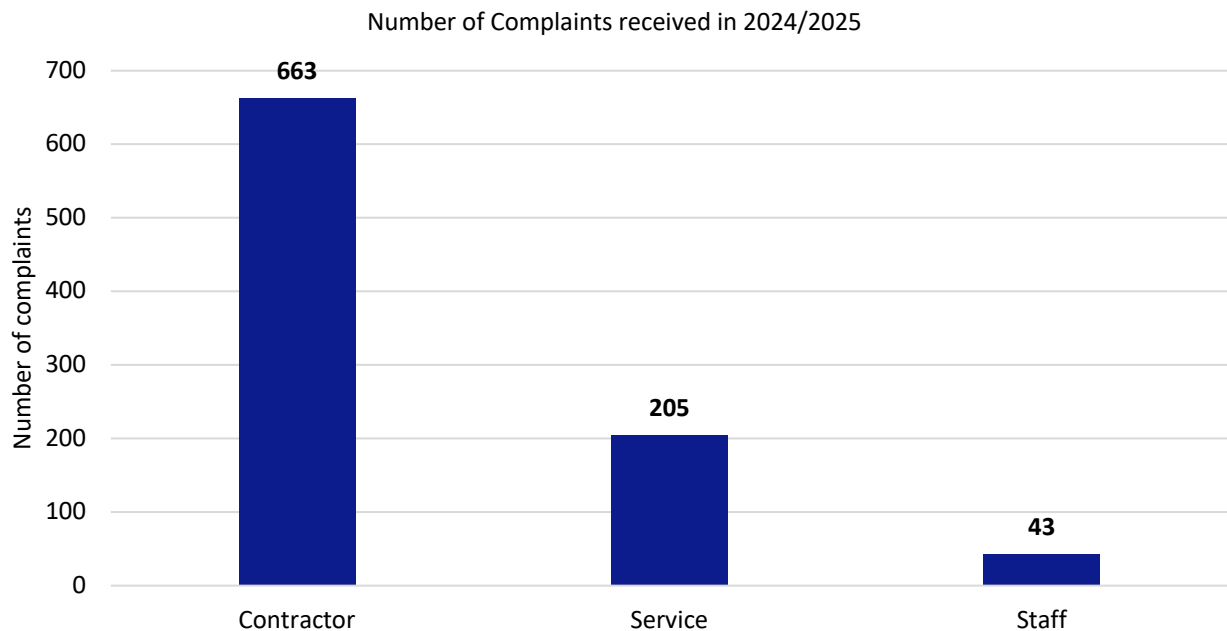
Complaints

During 2024/25, we received a total of 911 complaints. Of these, 663 related to contracted services, such as waste management, verge maintenance, and cleaning.

Of these complaints, 476 related to waste services, including concerns about missed bin collections. This was a high priority over the December and January period, and additional measures have been put in place to manage the related contract.

A further 115 complaints related to the verge maintenance program, primarily focused on the timeliness and quality of the cuts.

The remaining complaints included 205 about services delivered by Council and 43 concerning staff interactions.

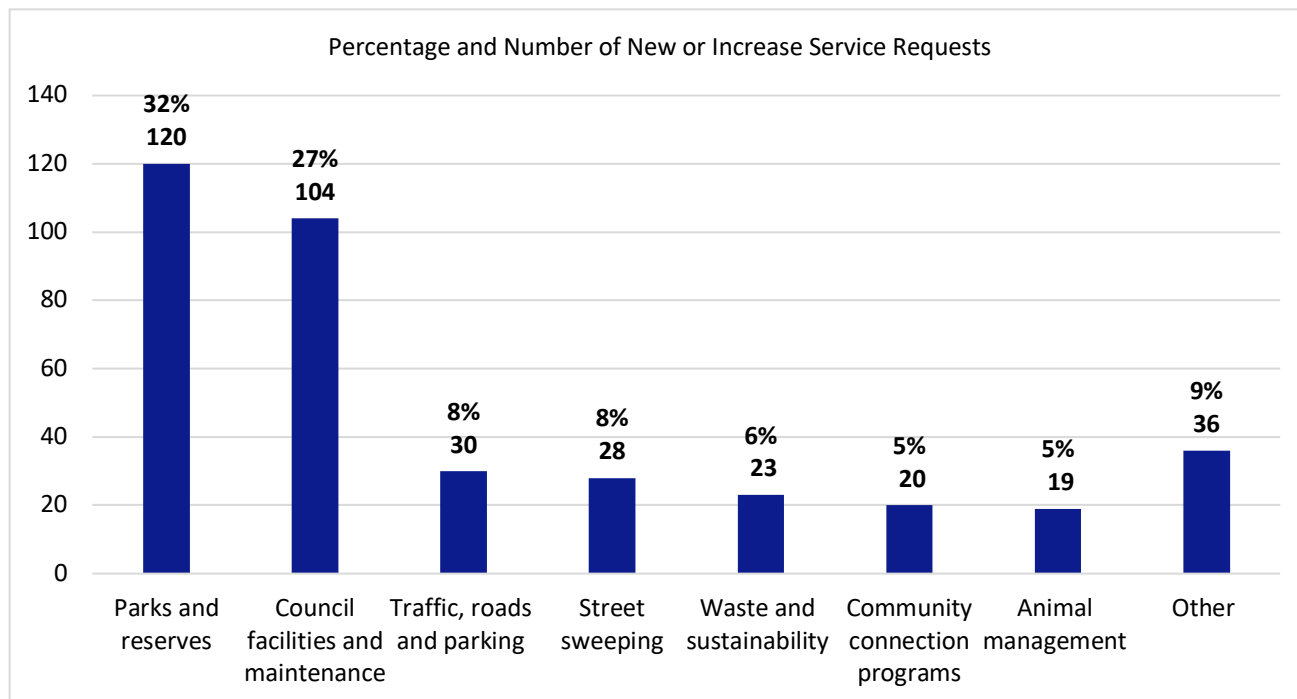


New or Increase Service Requests

In the 2024/25 financial year, a total of 380 requests were made for new or increased services.

Nearly a third (32%) of feedback related to parks and reserves, with residents requesting new amenities such as BBQs, shade sails, seating, lighting and water fountains, along with upgrades to play and exercise equipment, more tree planting, and improved maintenance and accessibility. Just over a quarter (27%) pertained to council facilities and maintenance, highlighting the need for repairs and upgrades to key infrastructure. Traffic, parking, and road-related requests (8%) focused on roads, traffic control and parking, while increased frequency of street sweeping services (8%) was also requested.

Waste and sustainability (6%) included suggestions for more frequent collections, vouchers for hard waste to be taken to the Beverley Recycling and Waste Centre and requests for free green waste drop-off options. Feedback was provided relating to community connections programs (5%), including feedback about fitness classes for older residents and other enhancements to services. Animal management (5%) centred on concerns about dog behaviour, cat controls and enforcement.



Elected Member Behavioural Management Policy

Elected Member Behavioural Management Policy

Elected Members will work together constructively as a Council and will uphold the values of honesty, integrity, accountability and transparency, and in turn, foster community confidence and trust in Local Government.

As representatives of open, responsive and accountable government, Elected Members are committed to considering all relevant information and opinions, giving each due weight, in line with the Council's community consultation obligations.

In the performance of their role, Elected Members will take account of the diverse current and future needs of the local community in decision-making, provide leadership and promote the interests of the Council.

Elected Members will make every endeavour to ensure that they have current knowledge of both statutory requirements and best practice relevant to their position. All Councils are expected to provide training and education opportunities that will assist members to meet their responsibilities under the Local Government Act 1999.

The Behavioural Management Framework for Elected Members commenced on 17 November 2022 which is reflected in Councils Elected Member Behavioural Management Policy first adopted by Council on 8 May 2023. Section 62 of the Local Government Act outlines Member integrity and behaviour and their general duty to act honestly, with reasonable care and diligence in the performance and discharge of their official functions and duties.

During 2024/25 there were four complaints made under the Elected Member Behavioural Management Policy.

Contravention of Health and 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.

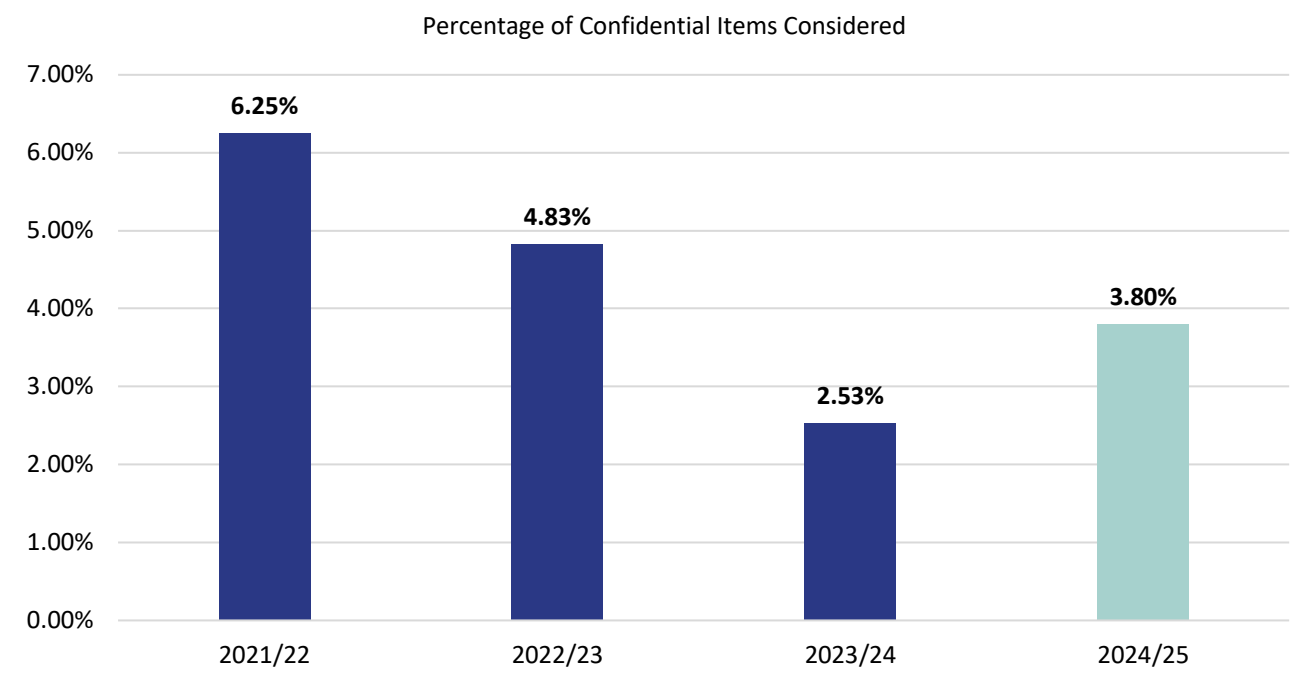
During 2024/25 from 1 July 2024 to 30 June 2025, there were no contraventions of this duty.

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, sets out the specific circumstances where this may occur.

Of the 344 items considered in 2024/25, 13 (3.8%) 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 356 items considered in 2023/24 of which 9 (2.53%) were treated under the confidential provisions in the previous year.



The following table shows the number of occasions each of the confidential provisions of the Act were used during 2024/25, 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)	2
Section 90(3)(b) ... prejudice the commercial position of Council or be contrary to the public interest	3
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	5
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	1
Section 90(3)(h) legal advice	-
Section 90(3)(i) information relating to actual litigation, or litigation that the council or council committee believe on reasonable grounds will take place ...	-
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	1
Section 90(3)(k) tenders for the supply of goods, the provision of services or the carrying out of works	-
Section 90(3)(m) information relating to a proposed amendment to a Development plan under the Development Act 1993 before a Plan Amendment Report relating to the amendment is released for public consultation under that Act	-
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 2027	
Regulation 13(2)(a)(viii) – legal advice	1
Regulation 13(2)(a)(ix) – information relating to actual litigation, or litigation that the assessment panel believes on reasonable grounds will take place	1
Total Confidential Items	12
Total Confidential Orders made under Section 90(3)	11

Confidential Items

Summary of Confidential Items as at 30 June 2025

A high-level summary of confidential orders for 2024/25 is provided below:

Total orders made under Section 91(7) in 2024/25	11
Total orders that expired, ceased to apply, revoked or partial released during 2024/25 (Including orders remaining in confidence from previous financial years)	12
Total orders remaining operative as at 30 June 2025	22

The table below is an extract of Council's Register of Confidential Items for all documents covered by confidentiality orders during 2024/25 (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 2025.

Council / Committee	Date	Item No.	Report Title	Reason / Section No.	Confidentiality Order Duration	Status at 30 June 2024
Council	13/07/2020	11.04	Materials Recovery Facility – Prudential Report and Grant Funding Update	90(3)(b)(i)(ii) 90(3)(k)	It is recommended that the report, minutes and Appendix B be kept confidential until such time as the MRF becomes operational and Appendix A be kept confidential for a period of five years due to the commercially sensitive information contained within, noting confidentiality reviews are undertaken quarterly. And that in any event, the item remain in confidence until such time as the City of Port Adelaide Enfield has made its decision and that if the decision varies from the City of Charles Sturt, a further report to be presented to Council to enable an alternative to be put in place.	Partly released – Report, Minutes and Appendix B released on 24/03/2022. Appendix A remains in confidence.
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	Remains in confidence.

Council / Committee	Date	Item No.	Report Title	Reason / Section No.	Confidentiality Order Duration	Status at 30 June 2024
					have been finalised and new ownership title issued.	
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 and Risk 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 and Risk 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 regard 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	Remains in confidence.

Council / Committee	Date	Item No.	Report Title	Reason / Section No.	Confidentiality Order Duration	Status at 30 June 2024
					contains commercially sensitive information relevant to current and future contractual negotiations.	
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 Regard 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 and Risk	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.	Remains in confidence.
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 Regard to Local Government Joint Electricity Contract	90(h) and 90(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) and (ii)	It is recommended that the report, appendices and minutes be kept confidential for a period of three (3) years.	Remains in confidence.

Council / Committee	Date	Item No.	Report Title	Reason / Section No.	Confidentiality Order Duration	Status at 30 June 2024
Council	24/06/2024	11.04	Power Purchase Agreement (PPA) Tender Update	90(3)(b)(i) and (ii) 90(3)(d)(i) and (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) and (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) and (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) and (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	28/04/2025	11.03	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	23/06/2025	11.04	Chief Executive Officer Presentation for Performance Review 2024/25	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, 25 August 2025.	Remains in confidence.

Freedom of Information (FOI)

There were 37 requests for information from 1 July 2024 to 30 June 2025 made under the Freedom of Information Act. In summary:

Number of FOI Applications	37
Number of Internal Review Applications	1

Of the 37 applications requesting information:

- 8 applications were granted access in full;
- 25 applications were granted access in partial form;
- 1 application was refused;
- 2 applications were cancelled/withdrawn; and
- 1 application was undetermined as at 30 June 2025 (ongoing)

Of the 1 Internal Review application:

- 0 decisions were confirmed; and
- 1 decision was varied

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

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 the 25 November 2024.

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:

1. Permits and penalties
2. Moveable signs
3. Local Government Land
4. Roads
5. Dogs and Cats
6. 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 Salaries and Wages
14. Register of Building Upgrade Agreements

Local Nuisance and Litter Control Act and Regulations

One of our key responsibilities is to sustain and improve public and environment 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 2024/25 reporting period.

APPENDICES

Appendix 1: General Purpose Financial Statements for the year ended 30 June 2025

City of Charles Sturt

GENERAL PURPOSE FINANCIAL STATEMENTS for the year ended 30 June 2025

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



Contents	Page
Council certificate	3
Principal Financial Statements	
Statement of Comprehensive Income	4
Statement of Financial Position	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Notes to and forming part of the Financial Statements	8
Independent Auditor's Report – Financial Statements	44
Independent Auditor's Report – Internal Controls	46
Certificates of Audit Independence	
Council Certificate of Audit Independence	48
Audit Certificate of Audit Independence	49

City of Charles Sturt

General Purpose Financial Statements

for the year ended 30 June 2025

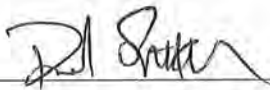
Council certificate

Certification of Financial Statements

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

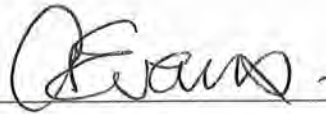
In our opinion:

- the accompanying financial statements comply with the *Local Government Act 1999*, *Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards,
- the financial statements present a true and fair view of the Council's financial position at 30 June 2025 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.



Paul Sutton
Chief Executive Officer

27 October 2025



Angela Evans
Mayor

27 October 2025

Statement of Comprehensive Income

for the year ended 30 June 2025

\$ '000	Notes	2025	2024
Income			
Rates	2a	139,187	129,829
Statutory charges	2b	6,812	5,865
User charges	2c	5,232	4,729
Grants, subsidies and contributions - capital	2g	5,219	2,704
Grants, subsidies and contributions - operating	2g	11,468	5,729
Investment income	2d	647	659
Reimbursements	2e	3,083	3,349
Other income	2f	66	74
Total income		171,714	152,938
Expenses			
Employee costs	3a	60,227	53,423
Materials, contracts and other expenses	3b	59,057	57,640
Depreciation, amortisation and impairment	3c	41,406	35,035
Finance costs	3d	1,878	2,068
Net loss - equity accounted council businesses	18	1,745	1,872
Total expenses		164,313	150,038
Operating surplus / (deficit)		7,401	2,900
Physical resources received free of charge	2i	10,332	12,645
Asset disposal and fair value adjustments	4	(6,360)	(11,935)
Amounts received specifically for new or upgraded assets	2g	6,480	1,416
Net surplus / (deficit)		17,853	5,026
Other comprehensive income			
Amounts which will not be reclassified subsequently to operating result			
Changes in revaluation surplus - I,PP&E	9	391,167	1,123,642
Share of other comprehensive income - equity accounted council businesses	18	302	4,718
Total amounts which will not be reclassified subsequently to operating result		391,469	1,128,360
Total other comprehensive income		391,469	1,128,360
Total comprehensive income		409,322	1,133,386

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 2025

\$ '000	Notes	2025	2024
ASSETS			
Current assets			
Cash and cash equivalent assets	5a	3,079	3,940
Trade and other receivables	5b	13,407	8,259
Inventories	5c	171	189
Subtotal		16,657	12,388
Non-current assets held for sale	19	—	10,790
Subtotal		—	10,790
Total current assets		16,657	23,178
Non-current assets			
Equity accounted investments in council businesses	6a	2,690	4,133
Other non-current assets	6b	29,414	18,441
Infrastructure, property, plant and equipment	7	3,109,087	2,717,094
Total non-current assets		3,141,191	2,739,668
TOTAL ASSETS		3,157,848	2,762,846
LIABILITIES			
Current liabilities			
Trade and other payables	8a	27,587	28,281
Borrowings	8b	1,652	2,513
Provisions	8c	10,523	10,826
Total current liabilities		39,762	41,620
Non-current liabilities			
Borrowings	8b	24,704	37,713
Provisions	8c	1,833	1,286
Total non-current liabilities		26,537	38,999
TOTAL LIABILITIES		66,299	80,619
Net assets		3,091,549	2,682,227
EQUITY			
Accumulated surplus		554,942	536,787
Asset revaluation reserves	9	2,536,607	2,145,440
Total equity		3,091,549	2,682,227

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 2025

\$ '000	Notes	Accumulated surplus	Asset revaluation reserve	Total equity
2025				
Balance at the end of previous reporting period		536,787	2,145,440	2,682,227
Net surplus / (deficit) for year		17,853	—	17,853
- Gain (Loss) on Revaluation of I,PP&E	7a	—	391,167	391,167
Share of OCI - equity accounted council businesses		302	—	302
Other comprehensive income		302	391,167	391,469
Total comprehensive income		18,155	391,167	409,322
Balance at the end of period		554,942	2,536,607	3,091,549
2024				
Balance at the end of previous reporting period		531,761	1,017,080	1,548,841
Restated opening balance		531,761	1,017,080	1,548,841
Net surplus / (deficit) for year		5,026	—	5,026
- Gain (Loss) on Revaluation of I,PP&E	7a	—	1,123,642	1,123,642
IPP&E impairment (expense) / recoupments offset to ARR	7a	—	—	—
Transfer to accumulated surplus on sale of I,PP&E	9	—	—	—
Share of OCI - equity accounted council businesses		—	4,718	4,718
Other equity adjustments - equity accounted council businesses	18	—	—	—
Net assets transferred - council restructure		—	—	—
Other movements (enter details here)		—	—	—
Other comprehensive income		—	1,128,360	1,128,360
Total comprehensive income		5,026	1,128,360	1,133,386
Balance at the end of period		536,787	2,145,440	2,682,227

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 2025

\$ '000	Notes	2025	2024
Cash flows from operating activities			
<u>Receipts</u>			
Operating receipts		166,043	151,635
Investment receipts		647	659
<u>Payments</u>			
Operating payments to suppliers and employees		(114,631)	(114,946)
Finance payments		(1,878)	(2,068)
Net cash provided by (or used in) operating activities	11b	<u>50,181</u>	<u>35,280</u>
Cash flows from investing activities			
<u>Receipts</u>			
Grants utilised for capital purposes		5,219	2,704
Amounts received specifically for new or upgraded assets		1,906	517
Sale of replaced assets		1,644	1,122
Sale of surplus assets		4,500	–
<u>Payments</u>			
Expenditure on renewal/replacement of assets		(30,220)	(30,224)
Expenditure on new/upgraded assets		(21,581)	(18,052)
Net cash provided (or used in) investing activities		<u>(38,532)</u>	<u>(43,933)</u>
Cash flows from financing activities			
<u>Receipts</u>			
Proceeds from borrowings		–	5,963
Proceeds from bonds and deposits		332	239
Proceeds from aged care facility deposits		1,029	437
<u>Payments</u>			
Repayments of borrowings		(13,249)	–
Repayment of lease liabilities		(622)	(819)
Net cash provided by (or used in) financing activities		<u>(12,510)</u>	<u>5,820</u>
Net increase (decrease) in cash held		<u>(861)</u>	<u>(2,833)</u>
plus: cash & cash equivalents at beginning of period		3,940	6,773
Cash and cash equivalents held at end of period	11a	<u>3,079</u>	<u>3,940</u>
Additional information:			
Total cash, cash equivalents and investments		<u>3,079</u>	<u>3,940</u>

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

Notes to and forming part of the Financial Statements

for the year ended 30 June 2025

Contents of the Notes accompanying the General Purpose Financial Statements

Note	Details	Page
1	Summary of Material Accounting Policies	9
2	Income	17
3	Expenses	20
4	Asset disposal and fair value adjustments	21
5	Current assets	22
6	Non-current assets	22
7	Infrastructure, Property, Plant & Equipment	23
8	Liabilities	26
9	Reserves	28
10	Assets subject to restrictions	28
11	Reconciliation to Statement of Cash Flows	29
12	Financial instruments	30
13	Capital expenditure commitments	33
14	Financial indicators	34
15	Uniform presentation of finances	37
16	Leases	38
17	Superannuation	39
18	Interests in other entities	40
19	Non-current assets held for sale and discontinued operations	41
20	Contingencies and assets/liabilities not recognised in the balance sheet	41
21	Events after the balance sheet date	42
22	Related party transactions	42

Notes to and forming part of the Financial Statements

for the year ended 30 June 2025

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 under regulation 14 of the *Local Government (Financial Management) Regulations 2011* dated 11 November 2025.

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 2025 \$269,427 (2024: \$255,538).

(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:

Notes to and forming part of the Financial Statements

for the year ended 30 June 2025

Note 1. Summary of Material Accounting Policies (continued)

	Cash Payment Received	Annual Allocation	Difference
2020/21	\$3,972,481	\$3,791,665	+ \$180,816
2021/22	\$5,319,271	\$3,956,673	+ \$1,362,598
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

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 14 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 12.

(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.

Notes to and forming part of the Financial Statements

for the year ended 30 June 2025

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 7.

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.

<i>Plant, Furniture & Equipment</i>	2 to 10 years
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<i>Furniture and Fittings including IT equipment</i>	2 to 10 years
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Building & Other Structures

Building – Fittings	5 to 105 years
Buildings - Superstructure	25 to 125 years

Notes to and forming part of the Financial Statements

for the year ended 30 June 2025

Note 1. Summary of Material Accounting Policies (continued)

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 3, and the amount (if any) of interest revenue offset against borrowing costs in Note 2.

(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 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.

Notes to and forming part of the Financial Statements

for the year ended 30 June 2025

Note 1. Summary of Material Accounting Policies (continued)

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 oncosts) 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 oncosts) 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 1.99% (2024, 2.75%)

Weighted avg. settlement period 1.19 years (2024, 1.19 years)

LSL:

Weighted avg. discount rate 4.46% (2024, 4.25%)

Weighted avg. settlement period 1.39 years (2024, 1.20 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.

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.

Notes to and forming part of the Financial Statements

for the year ended 30 June 2025

Note 1. Summary of Material Accounting Policies (continued)

(11) Leases

Accounting policy applicable from 01 July 2019

The 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

The 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

The 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 policies above - Impairment of non-financial assets.

ii) Lease Liabilities

At the commencement date of the lease, the 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, the Council uses its incremental borrowing rate or the interest rate implicit in the lease.

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

The 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 19.

(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.

(14) Non Interest Bearing Liabilities

Accommodation Bonds and Aged Care Facility Deposits are amounts payable under the Aged Care Act 1997 and the SA

Notes to and forming part of the Financial Statements

for the year ended 30 June 2025

Note 1. Summary of Material Accounting Policies (continued)

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 brought 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 historical experience indicates the bonds may not be repaid within one year.

(15) New accounting standards and UIG interpretations

New accounting standards, amendments to existing standards and UIG interpretations

Council applied for the first time certain new standards and amendments to existing standards, which are effective for annual periods beginning on or after 1 January 2024. Council has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

AASB 2020-1: Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current

AASB 2020-1 amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. It also clarifies the meaning of 'settlement of a liability'.

AASB 2022-6: Amendments to Australian Accounting Standards – Non-current liabilities with Covenants

AASB 2022-6 amends AASB 101 to improve the information an entity provides in its financial statements about liabilities from loan arrangements for which the entity's right to defer settlement of those liabilities for at least 12 months after the reporting period is subject to the entity complying with conditions specified in the loan agreement.

AASB 2022-10: Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities.

AASB 2022-10 amends AASB 13 – Fair Value Measurement for the fair value measurements of non-financial assets of not-for-profit public sector entities not held primarily to generate net cash inflows.

Council has adopted all amendments mentioned above required for the year ended 30 June 2025. The adoption of these amendments did not have a material impact on the financial statements.

Standards issued by the AASB not yet effective

The AASB has issued new and amended Australian Accounting Standards and Interpretations that are not effective as of 30 June 2025. These standards have not yet been adopted by Council and will be incorporated into the financial statements upon their effective dates. The following list identifies all applicable new and amended Australian Accounting Standards and Interpretations that were issued but are not yet effective as of 30 June 2025.

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.

The amendment is not expected to have a material impact on the financial statements once adopted.

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,

Notes to and forming part of the Financial Statements for the year ended 30 June 2025

Note 1. Summary of Material Accounting Policies (continued)

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.

Council is currently assessing the impact the amendment will have on the financial statements once adopted.

(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.

City of Charles Sturt

Notes to and forming part of the Financial Statements

for the year ended 30 June 2025

Note 2. Income

\$ '000	2025	2024
(a) Rates		
General rates		
General rates	138,288	128,950
Less: mandatory rebates	(3,166)	(2,944)
Less: discretionary rebates, remissions and write-offs	(264)	(253)
Total general rates	134,858	125,753
Other rates (including service charges)		
Regional Landscape Levy	3,643	3,491
Total other rates (including service charges)	3,643	3,491
Other charges		
Penalties for late payment	577	514
Legal and other costs recovered	109	71
Total other charges	686	585
Total rates	139,187	129,829
(b) Statutory charges		
Planning, Development and Infrastructure Act fees	2,143	1,631
Health and septic tank inspection fees	6	4
Animal registration fees and fines	919	934
Parking fines / expiation fees	2,751	2,556
Other registration fees	690	415
Other licences, fees and fines	303	325
Total statutory charges	6,812	5,865
(c) User charges		
Commercial activity revenue	228	483
Aged Facilities Rental	493	468
Hall and equipment hire	2,061	1,710
Waste Management Fees	1,638	1,285
Facilities & Equipment Hire	48	43
Other	764	740
Total user charges	5,232	4,729

City of Charles Sturt

Notes to and forming part of the Financial Statements

for the year ended 30 June 2025

Note 2. Income (continued)

\$ '000	2025	2024
(d) Investment income		
Interest on Investments		
- Local Government Finance Authority	514	520
- Banks and other	133	139
Total investment income	647	659
(e) Reimbursements		
Joint undertakings (Collaboration)	1,853	1,930
General	1,230	1,419
Total reimbursements	3,083	3,349
(f) Other income		
Insurance and other recoupments - infrastructure, property, plant and equipment	62	59
Sundry	–	1
Other	4	14
Total other income	66	74
(g) Grants, subsidies and contributions		
Capital grants, subsidies and contributions		
Amounts received specifically for new or upgraded assets	6,480	1,416
Total amounts received for new or upgraded assets	6,480	1,416
Other grants, subsidies and contributions - capital		
Other grants, subsidies and contributions - capital	5,219	2,704
Total Other grants, subsidies and contributions - capital	5,219	2,704
Operating grants, subsidies and contributions		
Other grants, subsidies and contributions - operating	11,468	5,729
Other grants, subsidies and contributions - operating		
Total other grants, subsidies and contributions - operating	11,468	5,729
Total grants, subsidies and contributions	23,167	9,849
(i) Sources of grants		
Commonwealth Government	6,115	4,276
State Government	16,144	4,117
Other	908	1,456
Total	23,167	9,849
(ii) Individually significant items		
Grant Commission - General Purpose Grants	3,366	847

continued on next page ...

City of Charles Sturt

Notes to and forming part of the Financial Statements

for the year ended 30 June 2025

Note 2. Income (continued)

\$ '000	2025	2024
Roads to Recovery Funding	1,580	1,215
Local Roads and Community Infrastructure LRCI Grants	1,592	1,192

(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	<u>1,126</u>	<u>5,816</u>
Less:		
<i>Expended during the current period from revenues recognised in previous reporting periods</i>		
Roads infrastructure	(1,126)	(1,596)
Women in Business Grant (deferred)	16	—
CHSP Ageing Well	300	—
General Purpose	2,582	(3,094)
Subtotal	<u>1,772</u>	<u>(4,690)</u>
Plus:		
<i>Amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions</i>		
Unexpended at the close of this reporting period	<u>2,898</u>	<u>1,126</u>

(i) Physical resources received free of charge

Roads, bridges and footpaths	10,332	12,645
Total physical resources received free of charge	<u>10,332</u>	<u>12,645</u>

City of Charles Sturt

Notes to and forming part of the Financial Statements

for the year ended 30 June 2025

Note 3. Expenses

\$ '000	Notes	2025	2024
(a) Employee costs			
Salaries and wages		48,214	43,577
Employee leave expense		6,545	5,164
Superannuation - Defined Benefit and Accumulation Fund Contributions	17	6,166	5,418
Workers' compensation insurance		1,626	1,485
Other employee related costs		340	20
Less: capitalised and distributed costs		(2,664)	(2,241)
Total operating employee costs		60,227	53,423
Total number of employees (full time equivalent at end of reporting period)		510	496
(b) Materials, contracts and other expenses			
(i) Prescribed expenses			
Auditor's remuneration			
- Auditing the financial reports		36	34
Bad and doubtful debts		1,978	(36)
Elected members' expenses		594	567
Operating lease rentals - cancellable leases		42	—
Operating lease rentals - non-cancellable leases	16		
- Minimum lease payments - Plant Hire		117	130
Subtotal - prescribed expenses		2,767	695
(ii) Other materials, contracts and expenses			
Contractors		13,160	14,194
Energy		2,883	2,953
IT Licences & Consumables		3,575	5,319
Legal expenses		664	637
Levies Paid to Government incl Regional Landscape Levy		3,909	3,973
Levies - other		676	620
Parts, Accessories, Consumables & Supplies		7,352	4,623
Professional services		652	684
Sundry		1,221	2,494
Advertising / Promotional		459	462
Agency Staff		1,231	2,425
Communication		844	790
Consultants		759	593
Donations/Contributions		787	616
Insurance		2,117	1,811
Training / Seminars & Conferences		528	567
Waste Costs		12,572	11,588
Water		2,660	2,396
Other		241	200
Subtotal - Other material, contracts and expenses		56,290	56,945
Total materials, contracts and other expenses		59,057	57,640

City of Charles Sturt

Notes to and forming part of the Financial Statements

for the year ended 30 June 2025

Note 3. Expenses (continued)

\$ '000	2025	2024
(c) Depreciation, amortisation and impairment		
(i) Depreciation and amortisation		
Buildings & Other Structures - Specialised	10,579	9,128
Stormwater	8,249	6,736
Roads	12,553	10,805
Footpaths	5,976	5,033
Bridges	789	532
Right-of-use assets	476	476
Plant and equipment	2,077	1,743
Furniture and fittings	707	582
Total depreciation, amortisation and impairment	41,406	35,035
(d) Finance costs		
Interest on overdraft and short-term drawdown	201	186
Interest on loans	1,677	1,882
Total finance costs	1,878	2,068

Note 4. Asset disposal and fair value adjustments

\$ '000	2025	2024
Infrastructure, property, plant and equipment		
(i) Assets renewed or directly replaced		
Proceeds from disposal	1,644	1,122
Less: carrying amount of assets sold	(4,851)	(12,983)
Gain (loss) on disposal	(3,207)	(11,861)
(ii) Assets surplus to requirements		
Proceeds from disposal	11,715	–
Less: carrying amount of assets sold	(14,868)	(74)
Gain (loss) on disposal	(3,153)	(74)
Net gain (loss) on disposal or revaluation of assets	(6,360)	(11,935)

City of Charles Sturt

Notes to and forming part of the Financial Statements

for the year ended 30 June 2025

Note 5. Current assets

\$ '000	2025	2024
(a) Cash and cash equivalent assets		
Cash on hand and at bank	400	2,050
Deposits at call	2,679	1,890
<u>Total cash and cash equivalent assets</u>	<u>3,079</u>	<u>3,940</u>

(b) Trade and other receivables

Rates - general and other	2,625	2,695
Council rates postponement scheme	87	81
Accrued revenues	698	799
Debtors - general	10,693	3,393
GST recoupment	937	1,043
Prepayments	757	667
Sundry	–	10
<u>Subtotal</u>	<u>15,797</u>	<u>8,688</u>
Less: provision for expected credit losses	(2,390)	(429)
<u>Total trade and other receivables</u>	<u>13,407</u>	<u>8,259</u>

(c) Inventories

Stores and materials	171	189
<u>Total inventories</u>	<u>171</u>	<u>189</u>

Note 6. Non-current assets

\$ '000	2025	2024
(a) Equity accounted investments in council businesses		
Central Adelaide Waste Recycling Authority (CAWRA)	2,690	4,133
<u>Total equity accounted investments in Council businesses</u>	<u>2,690</u>	<u>4,133</u>

(b) Other non-current assets

Capital work in progress	29,414	18,441
<u>Total other non-current assets</u>	<u>29,414</u>	<u>18,441</u>

City of Charles Sturt

Notes to and forming part of the Financial Statements for the year ended 30 June 2025

Note 7. Infrastructure, Property, Plant & Equipment

Infrastructure, property, plant and equipment

\$ '000	Fair Value Level	as at 30/06/24					Asset movements during the reporting period							as at 30/06/25				
		At Fair Value	At Cost	Accumulated Depreciation	Accumulated Impairment	Carrying amount	Asset Additions New / Upgrade	Asset Additions Renewals	WDV of Asset Disposals	Depreciation Expense (Note 3c)	Adjustments & Transfers	Tfrs from/(to) "Held for Sale" category	Revaluation Increments to Equity (ARR) (Note 9)	At Fair Value	At Cost	Accumulated Depreciation	Accumulated Impairment	Carrying amount
Land	2	1,177,813	4,102	–	–	1,181,915	875	380	(3,830)	–	1,282	–	74,847	1,254,215	1,255	–	–	1,255,470
Buildings & Other Structures - Non Specialised	2	219,188	9,369	(74,657)	–	153,900	60	1,291	(572)	(3,606)	–	–	11,553	245,848	1,351	(84,573)	–	162,626
Buildings & Other Structures - Specialised	3	147,610	18,466	(60,416)	–	105,660	16,434	3,391	(275)	(6,973)	(1,282)	–	6,361	173,911	19,825	(70,420)	–	123,316
Stormwater	3	607,363	3,102	(260,136)	–	350,329	4,887	1,665	(572)	(8,249)	–	–	246,454	813,164	6,552	(225,202)	–	594,514
Roads	3	1,066,526	15,791	(397,419)	–	684,898	5,931	4,757	(2,019)	(12,553)	–	–	14,960	1,101,519	10,688	(416,234)	–	695,973
Footpaths	3	282,470	15,294	(98,666)	–	199,098	3,110	2,234	(1,357)	(5,976)	–	–	36,432	322,509	5,344	(94,312)	–	233,541
Bridges	3	38,253	593	(12,749)	–	26,097	–	–	–	(789)	–	–	560	39,706	–	(13,838)	–	25,868
Right-of-use assets		2,688	–	–	–	2,688	–	–	–	(476)	–	–	–	2,213	–	–	–	2,213
Plant and equipment		–	23,460	(12,811)	–	10,649	4,306	–	(242)	(2,077)	–	–	–	–	23,729	(11,094)	–	12,635
Furniture and fittings		–	16,414	(14,554)	–	1,860	1,837	–	(61)	(707)	–	–	–	–	17,686	(14,755)	–	2,931
Total infrastructure, property, plant and equipment		3,541,911	106,591	(931,408)	–	2,717,094	37,440	13,718	(8,928)	(41,406)	–	–	391,167	3,953,085	86,430	(930,428)	–	3,109,087
Comparatives		2,274,552	129,544	(825,100)	–	1,578,996	35,316	35,740	(13,056)	(35,035)	(6)	(8,505)	1,123,642	3,541,911	106,591	(931,408)	–	2,717,094

Notes to and forming part of the Financial Statements

for the year ended 30 June 2025

Note 7. 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 7(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.

Other information

At 1 July 2004 upon the transition to AIFRS, Council elected pursuant to *AASB 1.D5* to retain a previously established deemed cost under GAAP as its deemed cost. With subsequent addition at cost, this remains as the basis of recognition of non-material asset classes.

Upon revaluation, 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. In the case of land, current replacement cost is taken to be the fair value.

Highest and best use

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.

Notes to and forming part of the Financial Statements

for the year ended 30 June 2025

Note 7. Infrastructure, Property, Plant & Equipment (continued)

For land subject to these restrictions, the highest and best use is taken to be the "highest and best use" available to Council, with 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.

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.

Buildings & Other Structures

A full condition based revaluation of buildings assets has been undertaken and is dated as at 30 June 2024. 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. The revaluation date of 1 July 2023 has ensured that a contemporary measure of depreciation is charged against the buildings assets for 30 June 2024.

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 restricted 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 2025.

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

Notes to and forming part of the Financial Statements
for the year ended 30 June 2025

Note 7. Infrastructure, Property, Plant & Equipment (continued)

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).

Council performed an in-house revaluation of roads as at 1 July 2022 informed by unit rates from an external valuer's report as at 1 July 2022 and a condition assessment for these assets undertaken by the AARB Group in 2017, supplemented by condition assessments conducted by Council staff on an ongoing basis.

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 2018 based on depreciated replacement cost rates using rates from actual costs incurred during the reporting period ended 30 June 2018 from Council's external contract providers.

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.

AThe 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 as having been valued 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 Guilio Altamura, G-Force Building and Consulting Pty Ltd, subcontract to Ryder Levett Bucknall, certified by The Australian Institute of Quantity Surveyors. Valuations have been undertaken as at 1 July 2018.

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.

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 8. Liabilities

City of Charles Sturt

Notes to and forming part of the Financial Statements

for the year ended 30 June 2025

Note 8. Liabilities (continued)

\$ '000	Notes	Current	Non Current	Current	Non Current
(a) Trade and other payables					
Goods and services		5,484	—	4,628	—
Payments received in advance		8,217	—	12,791	—
Accrued expenses - employee entitlements		1,374	—	1,065	—
Accrued expenses - other		5,224	—	3,869	—
Aged care facility deposits		6,600	—	5,572	—
Deposits, retentions and bonds		688	—	356	—
<u>Total trade and other payables</u>		<u>27,587</u>	<u>—</u>	<u>28,281</u>	<u>—</u>

(b) Borrowings

Loans		1,215	23,575	1,214	36,825
Present Value of Lease Liabilities	16b	437	1,129	1,299	888
<u>Total Borrowings</u>		<u>1,652</u>	<u>24,704</u>	<u>2,513</u>	<u>37,713</u>

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

(c) Provisions

Employee entitlements (including oncosts)		10,431	1,833	10,767	1,286
Independent Living Unit Maintenance		92	—	59	—
<u>Total provisions</u>		<u>10,523</u>	<u>1,833</u>	<u>10,826</u>	<u>1,286</u>

City of Charles Sturt

Notes to and forming part of the Financial Statements

for the year ended 30 June 2025

Note 9. Reserves

	as at 30/06/24				as at 30/06/25
\$ '000	Opening Balance	Increments (Decrements)	Transfers	Impairments	Closing Balance
Asset revaluation reserve					
Land	895,456	74,847	—	—	970,303
Buildings & Other Structures - Specialised	75,691	17,914	—	—	93,605
Infrastructure	619,105	—	—	—	619,105
Stormwater	129,873	246,454	—	—	376,327
Roads	313,146	14,960	—	—	328,106
Footpaths	90,025	36,432	—	—	126,457
Bridges	17,426	560	—	—	17,986
JV's / associates - other comprehensive income	4,718	—	—	—	4,718
Total asset revaluation reserve	2,145,440	391,167	—	—	2,536,607
Comparatives	1,017,080	1,128,360	—	—	2,145,440

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 10. Assets subject to restrictions

\$ '000	2025	2024
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	375
Hindmarsh Town Mission	70	67
Total cash and financial assets	1,210	442
Total assets subject to externally imposed restrictions	1,210	442

City of Charles Sturt

Notes to and forming part of the Financial Statements for the year ended 30 June 2025

Note 11. Reconciliation to Statement of Cash Flows

\$ '000	Notes	2025	2024
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(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	5	3,079	3,940
Balances per Statement of Cash Flows		3,079	3,940

(b) Reconciliation of Operating Result

Net surplus/(deficit)		17,853	5,026
Non-cash items in income statements			
Depreciation, amortisation and impairment		41,406	35,035
Equity movements in equity accounted investments (increase)/decrease		1,745	1,872
Non-cash asset acquisitions		(10,332)	(12,645)
Grants for capital acquisitions treated as investing activity		(11,699)	(4,120)
Net (gain)/loss on disposals		6,360	11,935
		45,333	37,103
Add (less): changes in net current assets			
Net (increase)/decrease in receivables		106	2,115
Change in allowances for under-recovery of receivables		1,961	(39)
Net (increase)/decrease in inventories		18	(22)
Net increase/(decrease) in trade and other payables		2,519	(3,181)
Net increase/(decrease) in unpaid employee benefits		211	(691)
Net increase/(decrease) in other provisions		33	(5)
Net cash provided by (or used in) operations		50,181	35,280

(c) Non-cash financing and investing activities

Acquisition of assets by means of:

Physical resources received free of charge	2i	10,332	12,645
Total non-cash financing and investing activities		10,332	12,645

(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

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice

Notes to and forming part of the Financial Statements

for the year ended 30 June 2025

Note 12. 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 3.85% and 4.15% (2024: 4.35% and 4.55%). 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 8.50% (2024: 9.05%). 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.

Notes to and forming part of the Financial Statements

for the year ended 30 June 2025

Note 12. 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 by periodic instalments of principal and interest. Fixed Interest rates are 3.85% (2024: 3.85%)

Carrying Amount:

Approximates fair value.

Liabilities - leases

Accounting policy:

Accounted for in accordance with AASB 16 as stated in Note 16.

City of Charles Sturt

Notes to and forming part of the Financial Statements

for the year ended 30 June 2025

Note 12. 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					
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	1,180
Non-current borrowings	—	—	23,575	23,575	23,575
Total financial liabilities	20,584	—	23,575	44,159	42,751
Total financial assets and liabilities	36,313	—	23,575	59,888	58,480
2024					
Financial assets					
Cash and cash equivalents	3,940	—	—	3,940	3,940
Receivables	7,592	—	—	7,592	7,592
Total financial assets	11,532	—	—	11,532	11,532
Financial liabilities					
Payables	15,490	—	—	15,490	14,425
Current borrowings	1,214	—	—	1,214	1,136
Non-current borrowings	—	1,214	35,723	36,937	36,903
Total financial liabilities	16,704	1,214	35,723	53,641	52,464
Total financial assets and liabilities	28,236	1,214	35,723	65,173	63,996

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

\$ '000	2025		2024	
	Weighted Avg Interest Rate	Carrying Value	Weighted Avg Interest Rate	Carrying Value
Other variable rates	5.45%	25,783	6.03%	38,996
Fixed interest rates	3.85%	573	3.85%	1,230
		26,356		40,226

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.

Notes to and forming part of the Financial Statements

for the year ended 30 June 2025

Note 12. 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 5 and 6 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 13. Capital expenditure commitments

\$ '000	2025	2024
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Capital commitments

Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:

Buildings	11,644	5,879
Infrastructure	7,427	2,757
Plant and equipment	5,319	3,713
Open Space	1,220	4,979
	<u>25,610</u>	<u>17,328</u>

These expenditures are payable:

Not later than one year	25,610	17,328
	<u>25,610</u>	<u>17,328</u>

Notes to and forming part of the Financial Statements

for the year ended 30 June 2025

Note 14. Financial indicators

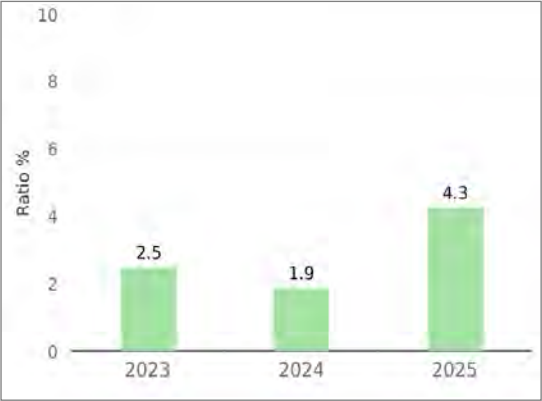
\$ '000	Amounts 2025	Indicator 2025	Indicators 2024	Indicators 2023
Financial Indicators overview				
These Financial Indicators have been calculated in accordance with Information paper 9 - Local Government Financial Indicators prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia.				
1. Operating Surplus Ratio				
Operating surplus	7,401	4.3%	1.9%	2.5%
Total operating income	171,714			
This ratio expresses the operating surplus as a percentage of total operating revenue.				
2. Net Financial Liabilities Ratio				
Net financial liabilities	49,813	29%	45%	43%
Total operating income	171,714			
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.				
Adjusted Operating Surplus Ratio				
Operating surplus	1,180	0.7%	3.2%	0.2%
Total operating income	165,493			
Adjusted Net Financial Liabilities Ratio				
Net financial liabilities	52,395	32%	44%	46%
Total operating income	163,913			
3. Asset Renewal Funding Ratio				
Asset renewals	30,220	82%	133%	117%
Infrastructure and Asset Management Plan required expenditure	37,006			
Asset renewals expenditure is defined as capital expenditure on the renewal and replacement of existing assets relative to the optimal level planned, and excludes new capital expenditure on the acquisition of additional assets.				

Notes to and forming part of the Financial Statements
for the year ended 30 June 2025

Note 14. Financial indicators (continued)

Financial indicators - graphs

1. Operating Surplus Ratio



Purpose of operating surplus ratio

This indicator is to determine the percentage the operating revenue varies from operating expenditure

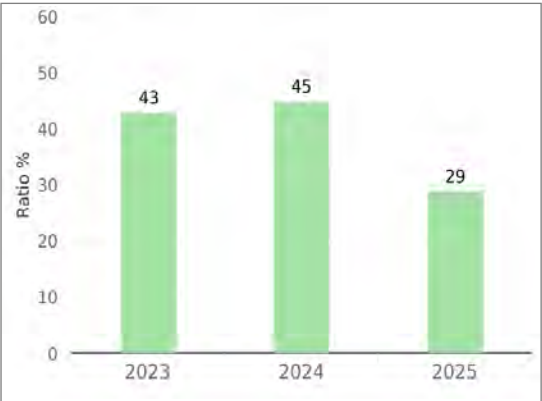
Commentary on 2024/25 result

2024/25 ratio 4.3%

Council's Long Term Financial Plan (LTFP) objective is to generate sustainable Operating Surplus Ratio of 0% to 10%.

A positive ratio demonstrates the % of operating income available to fund new capital projects or repay borrowings.

2. Net Financial Liabilities Ratio



Purpose of net financial liabilities ratio

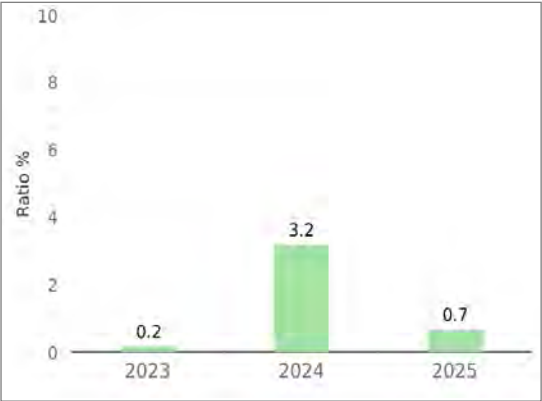
This indicator shows the significance of the net amount owed to others, compared to operating revenue

Commentary on 2024/25 result

2024/25 ratio 29%

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

This indicator is to determine the percentage the operating revenue (adjusted for timing differences in the Financial Assistance Grant) varies from operating expenditure

Commentary on 2024/25 result

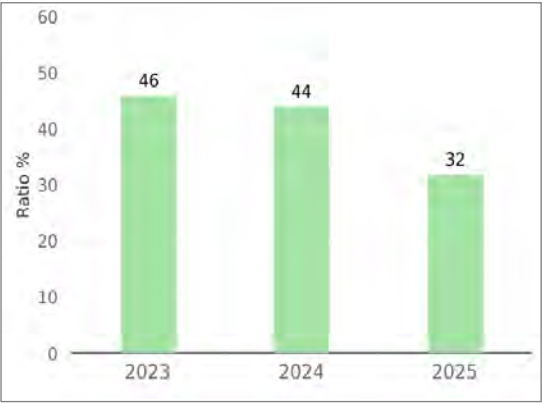
2024/25 ratio 0.7%

The Adjusted Operating Surplus Ratio has been adjusted down the impact of the General Purpose funding received in June 2025.

Notes to and forming part of the Financial Statements
for the year ended 30 June 2025

Note 14. Financial indicators (continued)

Adjusted Net Financial Liabilities Ratio

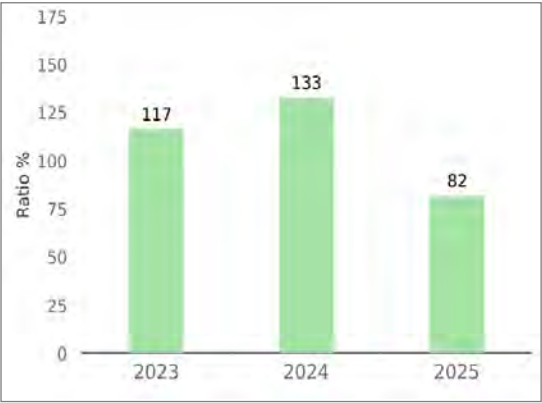


Purpose of adjusted net financial liabilities ratio

This indicator is to determine the percentage the operating revenue (adjusted for timing differences in the Financial Assistance Grant) varies from operating expenditure

Commentary on 2024/25 result	
2024/25 ratio	32%
The Adjusted net Financial Liabilities Ratio has been adjusted down the impact of the General Purpose funding received in June 2025.	

3. Asset Renewal Funding Ratio



Purpose of asset renewal funding ratio

This indicator aims to determine if assets are being renewed and replaced in an optimal way

Commentary on 2024/25 result	
2024/25 ratio	82%
Council has endorsed a minimum target of 80% capital renewals over the infrastructure portfolio.	
The adopted Asset Management Plans (AMP) and the Long Term Financial Plan (LTFP) both demonstrate 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.	

City of Charles Sturt

Notes to and forming part of the Financial Statements

for the year ended 30 June 2025

Note 15. Uniform presentation of finances

\$ '000	2025	2024
The following is a high level summary of both operating and capital investment activities of the Council 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 arrangements ensure that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances.		
<u>Income</u>		
Rates	139,187	129,829
Statutory charges	6,812	5,865
User charges	5,232	4,729
Grants, subsidies and contributions - capital	5,219	2,704
Grants, subsidies and contributions - operating	11,468	5,729
Investment income	647	659
Reimbursements	3,083	3,349
Other income	66	74
Total Income	171,714	152,938
<u>Expenses</u>		
Employee costs	(60,227)	(53,423)
Materials, contracts and other expenses	(59,057)	(57,640)
Depreciation, amortisation and impairment	(41,406)	(35,035)
Finance costs	(1,878)	(2,068)
Net loss - equity accounted council businesses	(1,745)	(1,872)
Total Expenses	(164,313)	(150,038)
Operating surplus / (deficit)	7,401	2,900
Net timing adjustment for general purpose grant funding	(2,582)	4,690
Less: grants, subsidies and contributions - capital (Excl Roads to Recovery)	(3,639)	(2,704)
Adjusted Operating surplus / (deficit) excluding Grants, subsidies and contributions - capital	1,180	4,886
Net outlays on existing assets		
Capital expenditure on renewal and replacement of existing assets	(30,220)	(30,224)
Add back depreciation, amortisation and impairment	41,406	35,035
Add back proceeds from sale of replaced assets	1,644	1,122
	12,830	5,933
Net outlays on new and upgraded assets		
Capital expenditure on new and upgraded assets (including investment property and real estate developments)	(21,581)	(18,052)
Add back grants, subsidies and contributions - capital new/upgraded	3,639	2,704
Add back amounts received specifically for new and upgraded assets	1,906	517
Add back proceeds from sale of surplus assets (including investment property, real estate developments and non-current assets held for resale)	4,500	—
	(11,536)	(14,831)
Annual net impact to financing activities (surplus/(deficit))	2,474	(4,012)

Notes to and forming part of the Financial Statements

for the year ended 30 June 2025

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.

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 across the flat land of Port Adelaide Enfield to the Barker Inlet.

Set out below are the carrying amounts of right-of-use assets recognised within Infrastructure, Property, Plant and Equipment and the movements during the period:

(a) Right of use assets

\$ '000	Library Buildings	Stormwater	Total
2025			
Opening balance	1,512	1,176	2,688
Additions to right-of-use assets	—	—	—
Depreciation charge	(451)	(25)	(476)
Balance at 30 June	1,061	1,151	2,212
2024			
Opening balance	1,963	1,201	3,164
Additions to right-of-use assets	—	—	—
Depreciation charge	(451)	(25)	(476)
Balance at 30 June	1,512	1,176	2,688

(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	2025	2024
Balance at 1 July	2,186	3,005
Accretion of interest	201	218
Payments	(822)	(1,037)
Balance at 30 June	1,565	2,186
Classified as:		
Current	436	1,298
Non-current	1,129	888

Notes to and forming part of the Financial Statements

for the year ended 30 June 2025

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 (11.50% in 2024/25; 11.00% in 2023/24). 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 2023/24) 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.

City of Charles Sturt

Notes to and forming part of the Financial Statements

for the year ended 30 June 2025

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.

\$ '000	Council's Share of Net Income		Council's Share of Net Assets	
	2025	2024	2025	2024
Joint Ventures	—	—	2,690	4,133
Joint ventures - in loss	(1,745)	(1,872)	—	—

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

(a) Carrying amounts

\$ '000	Principal Activity	2025	2024
Central Adelaide Waste Recycling Authority	Recycling	2,690	4,133
Total carrying amounts - joint ventures and associates		2,690	4,133

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	
	2025	2024	2025	2024	2025	2024
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	
	2025	2024
Opening Balance	4,133	1,287
Share in Operating Result	(1,745)	(1,872)
Share in 2024 Correction - Prospective	302	—
Share in Other Comprehensive Income	—	4,718
Council's equity share in the joint venture or associate	2,690	4,133

Notes to and forming part of the Financial Statements

for the year ended 30 June 2025

Note 19. Non-current assets held for sale and discontinued operations

Details of assets and disposal groups

Council has resolved to sell land as part of the re-development of the Woodville Road precinct.

\$ '000	2025	2024
(ii). Carrying amounts of assets and liabilities		
Assets		
Land	–	10,790
Total assets	–	10,790
Net assets	–	10,790

Council has consulted and subsequently determined to upgrade the Woodville Road Precinct. A piece of land within the Precinct has been compulsorily acquired by State Government.

Note 20. 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 deductible "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 \$29,951,016 (2024: \$29,308,287) 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 (LFGA). 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 extended its CAD borrowings to \$28,431,016.

In May 2021 Council resolved to guarantee \$720,000 for West Beach Surf Life Saving Club (WBSLC) to secure a loan to fund the proposed clubroom redevelopment. In July 2022 this guarantee was increased to \$1,500,000.

Notes to and forming part of the Financial Statements
for the year ended 30 June 2025

Note 20. Contingencies and assets/liabilities not recognised in the balance sheet

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

4. Legal expenses

Council is the planning consent authority for its area under the Development Act 1993 (as amended). Pursuant to that Act, certain persons aggrieved by a planning decision of the Council may appeal. It is normal practice that parties bear their own legal costs. At the date of these reports, Council had notice of four appeal against planning decisions and six 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

In 2023 proceedings were filed in the Supreme Court against 61 Councils in South Australia, including City of Charles Sturt. The claim alleges unpaid consultancy fees. A joint defence has been commenced by the Local Government Association of SA as agent for the Councils. The amount claimed has not been recognised on the basis that an outflow of economic resources to settle it is not viewed as probable at this stage.

Management considers an unfavourable outcome for this litigation to be unlikely, so has not recorded a provision in these Financial Statements.

Note 21. Events after the balance sheet date

Events that occur after the reporting date of 30 June 2025, up to and including the date when the financial statements are "authorised for issue" have been taken into account in preparing these statements.

Council has adopted the date of receipt of the Auditors' Report as the appropriate "authorised for issue" date relating to these General Purpose Financial Statements.

Note 22. Related party transactions

Key management personnel

Transactions with key management personnel

The Key Management Personnel of the Council has been adjusted for the 2024/25 year. The Leadership group include the Mayor, Councillors, CEO and General Managers and the Finance Manager, but not Portfolio Managers. The refined Leadership Team is prescribed under section 112 of the Local Government Act 1999. In all, 17 Councillors and 6 Professional Staff were paid the following total compensation:

\$ '000	2025	2024
The compensation paid to key management personnel comprises:		
Short-term employee benefits	3,213	2,189
Long-term benefits	364	37
Total	3,577	2,226

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:

Grange Primary School Governing Council, Maltese Community Council of SA, Brompton Childrens Centre, German Table Tennis Club, Greek Community Radio EBI FM, Vietnamese Community School, SA Multicultural Commission, Woodville High School Governing Council, Italian Historical Society, Salisbury Parish Pastoral Council. Diocesan Pastoral Council -

Notes to and forming part of the Financial Statements

for the year ended 30 June 2025

Note 22. Related party transactions (continued)

Archdiocese of Adelaide, Delfin Island Neighbourhood Watch, Australian Centre for Asian Business Advisory Board, Adelaide Airport Western Adelaide Consultative Committee, Charles Sturt Lions Club, Cheerio Netball Club, Climate emergency Australia Strategic Advisory Group, Grange Lawn Tennis Club, Grange Surf Life Savings Club, Gym West, Henley Sailing Club Inc, Local Government Association of Australia, Orion Tennis Club, Rowing South Australia Inc, Seaside Tennis Club Inc, Woodville Community Dog Training Centre, Woodville Hockey Club, Lion's Club of Charles Sturt, Local Government Financing Authority (LGFA), Local Government Metropolitan Board, Softball SA, Orion Woodville Tennis Club, Strata Corporation - Woodville South, Woodville Glengarry Tennis Club, Central Adelaide Waste Management Authority (CAWRA), Woodville High School Governing Council, Vietnamese Community in Australia SA chapter, Cypriot Community of SA Inc., West Lakes Sports Club, West Beach Trust, Neighbourhood Watch Hendon, Grange Primary School, Charles Sturt Museum Trust, Allenby Gardens Primary School Governing Council, ALP Croydon Sub branch, West Hindmarsh 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 facilities are also used by other not-for-profit organisations and the general public.

Council received \$421,949 from the above organisations and \$99,068 was due at 30 June 2025.

Council paid \$1,790,031 to the above organisations and \$0 was payable at 30 June 2025.

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

Local Government Financing Authority (LGFA), Unley Council Audit Committee, Roxby Downs Council Audit Committee, South Australian Local Government Financial Management Group (SALGFMG), St Peter's Woodlands Grammar School Finance Committee.

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. Any transactions between Local Government Finance Authority and Council were incurred in the the normal course of undertaking Council endorsed Treasury Functions/ Processes.



INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL REPORT

To the members of City of Charles Sturt

Opinion

We have audited the accompanying financial report of City of Charles Sturt (the Council), which comprises the statement of financial position as at 30 June 2025, the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Council Certificate of City of Charles Sturt.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of the Council as at 30 June 2025, and its financial performance and its cash flows for the year then ended in accordance with the Australian Accounting Standards, the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011*.

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 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.

Council's responsibility for the financial report

Council is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* and for such internal control as Council determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, Council is responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Council either intends to liquidate the Council 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.

Auditor's responsibility 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 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.

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As part of an audit of the financial report in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of Council's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Council to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS



Tim Muhlhausler CA, Registered Company Auditor
Partner

28 October 2025



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INDEPENDENT ASSURANCE REPORT ON THE INTERNAL CONTROLS

To the members of City of Charles Sturt

Opinion

We have audited the compliance of City of Charles Sturt (the Council) with the requirements of 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 for the period 1 July 2024 to 30 June 2025 have been conducted properly and in accordance with law.

In our opinion, City of Charles Sturt 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 law for the period 1 July 2024 to 30 June 2025.

Basis for opinion

We conducted our engagement in accordance with applicable Australian Standards on Assurance Engagement 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 2024 to 30 June 2025. ASAE 3000 also requires us to comply with the relevant ethical requirements of the Australian professional accounting bodies.

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

The Council's responsibility for 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* to ensure that the receipt, expenditure and investment of money, acquisition and disposal of property, and incurring of liabilities have been conducted properly and in accordance with law.

Our independence and quality control

We have complied with the independence and other relevant ethical requirements relating to assurance engagements, and apply Auditing Standard ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements* in undertaking this assurance engagement.

Auditor's responsibility

Our responsibility is to express an opinion 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 receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities have been conducted properly and in accordance with law, based on our procedures. 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 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 2024 to 30 June 2025. ASAE 3000 also requires us to comply with the relevant ethical requirements for the Australian professional accounting bodies.

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 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.

Limitation of 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 the internal controls specified above. We disclaim any assumption of responsibility for any reliance on this report to any persons or users other than the members of the Council, or for any purpose other than that for which it was prepared.

GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS

Tim Muhlhausler CA, Registered Company Auditor
Partner

28 October 2025

City of Charles Sturt

General Purpose Financial Statements

for the year ended 30 June 2025

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 2025, the Council's Auditor, Galpins Accountants Auditors and Business Consultants has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

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



Paul Sutton
Chief Executive Officer



Nicholas La Lecheur
Presiding Member, Audit and Risk Committee

Date: 22 October 2025



CITY OF CHARLES STURT

GENERAL PURPOSE FINANCIAL STATEMENTS

For the year ended 30 June 2025

Statement by Auditor

I confirm that, for the audit of the financial statements of City of Charles Sturt for the year ended 30 June 2025, 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 2011* made under that Act.

This statement is prepared in accordance with the requirements of Regulation 22 (5) *Local Government (Financial Management) Regulations 2011*.

GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS

Tim Muhlhausler CA, Registered Company Auditor
Partner

Date: 07 October 2025

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Appendix 2: CAWRA (Central Adelaide Waste and Recycling Authority) – Year End Audited Financial Statements 2024/25



cawra

2024/2025

ANNUAL REPORT



cawra



KAURNA Acknowledgement

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.

CONTENTS

Introducing Central Adelaide Waste and Recycling Authority (CAWRA)	4
Report from David Spear Independent Chair	6
Report from Leah Maxwell Chief Executive Officer	8
Governance	10
CAWRA Board	10
Audit & Risk Committee	13
2024/25 Achievements	14
MRF Operations	14
Circular Economy & Strategy	15
Governance & Planning	16
Education & Community Engagement	16
CAWRA Team	17



INTRODUCING

Central Adelaide Waste And Recycling Authority (CAWRA)

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

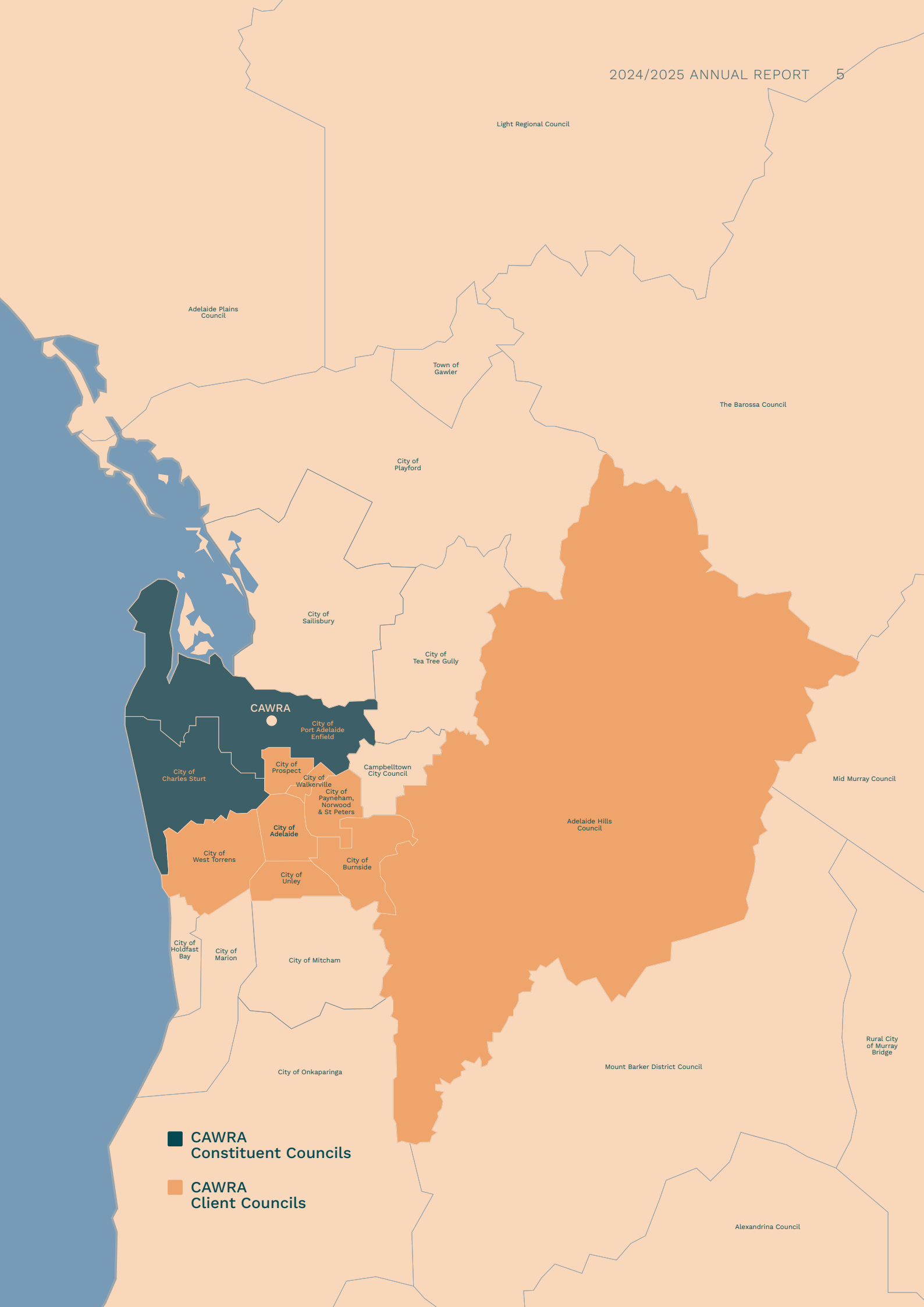
Created to service the local communities, CAWRA owns a Materials Recovery Facility that receives and processes kerbside recyclable material from Councils and other organisations to deliver efficient and effective recycling solutions for residents.

CAWRA is committed to driving sustainability and protecting our environment for future generations. With cutting-edge infrastructure and a team of dedicated professionals, we're leading the charge towards a greener, more sustainable future.

Our daily operations are managed by Visy Recycling, Australia's largest recycling company, ensuring the highest standards in recycling and waste management.

As the MRF moves beyond start-up into a mature operational phase, CAWRA has moved beyond MRF operations to address the broader suite of functions as laid out in the CAWRA Charter. Central to this, is the transition of waste and circular economy functions from Councils to CAWRA.





 **CAWRA
Constituent Councils**

 **CAWRA
Client Councils**

Report from David Spear INDEPENDENT CHAIR

I write this message in my first year as Chair of CAWRA's Board, having served as an independent Board Member since CAWRA's inception.

I would like to acknowledge and thank Catherine Cooper for her outstanding work as CAWRA's Chair through its start-up phase and early operational years. I look forward to building on that early work in my new role as Chairman, as CAWRA continues to grow and expand.

CAWRA continues to work closely with Visy Recycling to identify and implement operational improvements in our Materials Recovery Facility (MRF) that deliver benefits to our communities. Having completed extensive plant upgrades in 2024, we have been able to consolidate MRF operations and settle into a stable operational pattern.

We continue to invest in plant improvements, including the installation of a new dedicated cardboard baler early in March 2025. Minor upgrades will continue through 2025/26 with an ongoing focus on improving efficiency, refining product capture and quality and improving safety for operational staff.

CAWRA is more than just a MRF - from early 2025 we have stepped forward to widen the suite of waste and recycling services that we manage for our two constituent Councils.

We have now finalised and published our first regional waste, recycling and circular economy strategy 'Going Circular to 2030', which was developed in consultation with staff, state government agencies, Council Members and the communities of our two constituent Councils.

'Going Circular to 2030' attracted hundreds of written submissions from residents during its consultation phase in early 2025. This strong level of engagement shows yet again the critical importance placed on waste, recycling and circular economy issues by our communities. The resulting plan will guide CAWRA's efforts for the coming 5 years, having been formally adopted by both Councils in June 2025.

CAWRA prides itself on being flexible and responsive to the changing needs of our communities and building strong collaborative relationships with the private sector. Our soft plastics recycling program is a prime example of this.

The second phase of the Soft Plastics Recycling Pilot was launched in February 2025. The public response to this program has been overwhelmingly positive across all 3 Councils involved. Fully funded by the brand owners and supermarkets who place soft plastic packaging on the market, this program is now providing a highly valued service to over 5,000 participating households. CAWRA and our Councils have also partnered with recyclers to 'buy back' the resulting recycled materials that are made with our used soft plastics. We will continue to support efforts to re-establish options for our residents to recycle their soft plastics - a service they clearly value.

Looking ahead to 2025/26, I am excited about CAWRA's expanding role and in particular the outstanding team of experienced waste and recycling professionals that has been built under the leadership of CAWRA's new Chief Executive Officer, Leah Maxwell.

I look forward to continuing to work with Leah and the team to continue this success over the coming years.

"CAWRA prides itself on being flexible and responsive to the changing needs of our communities"



David Spear
Independent Chair, CAWRA Board



Report from Leah Maxwell CHIEF EXECUTIVE OFFICER

It is with great pride that I present my first CEO report for the Central Adelaide Waste and Recycling Authority (CAWRA).

This year has been one of significant growth, transition, and opportunity, as we have laid important groundwork to position CAWRA as a leader in sustainable waste management and the circular economy in South Australia.

At the heart of our operations, our Materials Recovery Facility (MRF) continues to deliver high-quality recycling services to our constituent councils, enhanced this year with the successful installation of a new cardboard baler. Our ongoing partnership with Visy has supported these improvements, enabling us to optimise performance while maintaining strong market relationships for our recovered materials.

We continue to focus on improving the performance of our MRF operations and the overall financial sustainability of CAWRA. 2024-25 was about more than just infrastructure. We've taken clear steps to broaden our scope beyond the MRF. This includes welcoming new staff to CAWRA, transitioning from their positions within our Constituent Councils, positioning CAWRA as an end-to-end subsidiary managing waste and resource services on behalf of our Constituent Councils. We have continued to explore innovative programs such as soft plastics recycling and hosted events such as 'Set Your Clothes Free', in partnership with Green Industries SA. These initiatives are essential to our strategic evolution and are already yielding promising collaborations and pilot programs.

We also proudly launched our new website, providing a fresh platform for public engagement, industry updates, and educational resources. Education remains a key focus area for CAWRA, both in schools and across the community, as well as on site. We are proud to host tours at the MRF where groups can see the MRF operations first hand from our dedicated viewing platform. We continue to drive behavioural change that supports recycling and waste reduction.

A cornerstone achievement this year was the development and formal endorsement of CAWRA's new regional strategy 'Going Circular to 2030'. This strategy defines our long-term vision and commitment to transforming waste into valuable resources and supporting a thriving circular economy for the region.

In leadership news, we welcomed David Spear as Chair of the Board. David brings a wealth of experience and a deep understanding of CAWRA, having served on the Board for several years. We also gained a new Independent Board Member, John Niarchos, whose strategic and commercial insights further strengthen our governance capability.

As I reflect on the past year, I am immensely grateful to our dedicated team, our Board, our partners, and our community. Together, we are not only improving how we manage our resources today — we are shaping a more sustainable and circular future for generations to come.

“This year has been one of significant growth, transition, and opportunity”



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. In 2025, CAWRA's Independent Chair, Catherine Cooper, tendered her resignation. David Spear, who has served as an independent Board Member since CAWRA's inception, formally commenced in the role of Chair following a period as Acting Chair. We also welcomed a new Independent Board Member, John Niarchos.

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 meetings held in 2024/2025

The Board convened on 6 occasions during 2024/25 with 3 Out of Session reports endorsed during this period.

The CAWRA Board met on the following dates in 2024/25:

- | | |
|---------------------|--------------------------------------|
| 1 6 August 2024 | 4 17 February 2025 |
| 2 18 September 2024 | 5 25 March 2025 – Strategic Workshop |
| 3 14 November 2024 | 6 15 May 2025 |



Board Members



Catherine Cooper
Independent Chair
(until her resignation
effective 30 Sept 2024)
Meeting Attendance: 1/1



David Spear
Board Member, then Independent Chair (from October
2024, initially in an acting capacity until formally
appointed as CAWRA's Independent Board Chair)
Meeting Attendance: 6/6



Mayor Claire Boan
Mayor Port
Adelaide Enfield
Meeting Attendance: 6/6



Mayor Angela Evans
Mayor City of
Charles Sturt
Meeting Attendance: 6/6

Vacant position: There is one vacant position on the CAWRA Board, for an independent member appointed by the City of Charles Sturt. A process is currently under way to fill this position.



Mark Withers
CEO City of
Port Adelaide Enfield
Meeting Attendance: 4/6



Paul Sutton
CEO City
of Charles Sturt
Meeting Attendance: 5/6



John Niarchos
Independent Member
appointed by the City of
Port Adelaide Enfield
Meeting Attendance: 5/6



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.

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 committee.

Audit & Risk Committee Members

There were no changes to the Audit & Risk Committee structure or membership during 2024/2025.

Audit & Risk Committee members:

- Nicolle Rantanen (Chair)
- Peter Brass
- Melissa Oors L'Estrange

Audit & Risk Committee meetings

In total, the Audit & Risk Committee convened on 5 occasions during 2024/25 with 2 Out of Session reports circulated and endorsed during this period.

CAWRA's Audit & Risk Committee met on the following occasions during 2024/25:

- 1 12 August 2024
- 2 10 September 2024
- 3 5 November 2024
- 4 29 January 2025
- 5 13 May 2025

External Auditor

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



2024/25 ACHIEVEMENTS

MRF Operations

Processing over 41,000 tonnes of kerbside recyclables in 2024/2025

Throughout the year, CAWRA continued to invest in improving the performance and efficiency of its Materials Recovery Facility (MRF). Several operational enhancements were delivered, supporting better material quality, reduced transport costs, and improved resource recovery.

A new baler was installed in early 2025, delivering immediate operational benefits including improved bale weights and more consistent plant uptime. These changes have supported increased transport efficiency, particularly for fibre materials.

We also improved the recovery and processing of glass by refining our picking processes, eliminating contamination in positively sorted glass, ensuring that material continues to meet quality requirements for local reprocessing. As a result, this glass is being recycled back into new packaging here in South Australia—demonstrating the value of targeted quality improvements and local circular economy partnerships.

A comprehensive review of capital projects was undertaken during the year and planning is now underway for the next stage of improvements aimed at reducing downtime, increasing recyclables capture, enhancing the quality of material outputs and improving safety for operational staff.



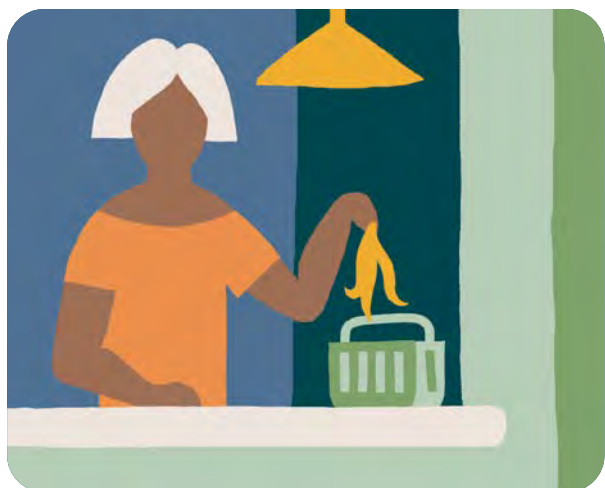
Circular Economy & Strategy

CAWRA continued to contribute to South Australia's transition to a circular economy by leading strategic projects, forming collaborative partnerships, and actively engaging in public policy development.

During the year, we made formal submissions to several key state and national reviews, including:

- South Australia's Waste Strategy 2025–2030 (Green Industries SA)
- Review of the Single-use and Other Plastic Products Act 2020 (Green Industries SA)
- Reform of packaging regulation (Commonwealth of Australia, Department of Climate Change Energy the Environment and Water)
- Amendments to the Container Deposit Scheme legislation (SA Environment Protection Authority)
- Review of the Environment Protection (Waste to Resources) Policy 2024 (SA Environment Protection Authority)

CAWRA also provided early input into the development of the State Waste Infrastructure Plan and hosted a site meeting with the Australian Packaging Covenant Organisation (APCO) to discuss packaging standards and labelling in the context of MRF operations.



CAWRA's work with the Australian Food and Grocery Council continued in 2024/25, with the joint soft plastics recycling program progressing to its second (pilot) phase in early 2025. Registrations for participants across the 3 participating Councils (the Cities of Adelaide, Charles Sturt and Port Adelaide Enfield) opened in February 2025. The response from local communities was strong, with over 3,000 households registering within the first three days. The program is fully funded by an industry-led scheme involving major brands and retailers. Material collected through the pilot is processed by IQ Renew in regional New South Wales.

To help develop sustainable markets for post-consumer soft plastics, CAWRA was granted funding by Green Industries SA (GISA) to partner with local bin manufacturers to trial the use of recycled LDPE in the production of bin lids.

CAWRA also received GISA funding for a commercial commingled recycling trial. This project 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.

Community engagement on our regional strategy, 'Going Circular to 2030', concluded in March 2025. The engagement process was well supported by the community. The final strategy incorporating this feedback was subsequently endorsed by the CAWRA Board and Constituent Councils.

CAWRA also undertook site visits to key industry partners, including IQ Renew in New South Wales and Visy Glass in Victoria. These visits provide firsthand insights into the recycling processes that handle our outbound material streams and support circular outcomes.

Governance & Planning

This year marked a continued focus on strong governance and forward planning, ensuring CAWRA remains responsive, financially sustainable, and strategically aligned with the needs of our communities.

A Strategic Planning Day was held with the Board to define long-term objectives and priorities. This session identified CAWRA's key areas of focus for immediate priority:

- Maintaining and growing MRF services for Constituent Councils and the broader sector
- Expanding CAWRA's role as an end-to-end waste management provider
- Leading and enabling circular economy outcomes through innovation and partnerships
- Enhance financial sustainability through efficient resource management, revenue growth, and long-term financial planning

In 2024/2025, CAWRA completed the organisational transition to bring waste and resource management functions under its direct operation. This centralisation strengthens service integration and operational oversight.

We updated our Long-Term Financial Plan and secured a loan to support upcoming capital works. A review of current and planned infrastructure projects was undertaken to identify future upgrades that will enhance operational performance and value recovery.

Centralised waste & resource management services for our Constituent Councils

Population:
Over 270,000

Dwellings:
112,000



Education & Community Engagement

CAWRA continues to deliver strong community and stakeholder education programs, aimed at building public understanding of recycling, waste reduction, and circular economy principles.

In 2024/2025, CAWRA hosted 36 tours of the MRF, engaging a total of 614 participants. These included school groups, community organisations, council staff, and industry representatives—each gaining valuable insights into the recycling process and the importance of correct material separation.

We also attended local events, including the 2-day Dockside Festival in Port Adelaide Enfield, where CAWRA/Council staff ran a community-facing stall, providing recycling information and engaging with residents.

As part of our partnership with Green Industries SA, CAWRA and Councils again hosted a “Set Your Clothes Free” event on 24 May 2025. This was the second event of this kind to be hosted by CAWRA - an initiative aimed at promoting textile reuse and reducing clothing waste. Following the popularity of both events to date, a third date is currently being planned for early November 2025.

CAWRA's achievements in 2024/2025 reflect a 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

CAWRA operated with a lean team of 4 full-time staff through the majority of 2024/25, as follows:

- Chief Executive Officer (Interim CEO Adrian Ralph from late April to August 2024, then Leah Maxwell from August 2024)
- Manager Strategy and Programs (Fiona Chambers)
- Executive Assistant (Tiffany Ware)
- Commercial Manager (Pieter Steyn – from May 2024 to February 2025)

From July 2025 CAWRA's Organisation structure is outlined below:



AUDITED FINANCIAL STATEMENTS

Central Adelaide Waste and Recycling Authority

General Purpose Financial Reports

for the year ended 30 June 2025

TABLE OF CONTENTS

	Page
Certification of Financial Statements	2
Principal Financial Statements	
Statement of Comprehensive Income	3
Statement of Financial Position	4
Statement of Changes in Equity	5
Statement of Cash Flows	6
Notes to, and forming part of, the Principal Financial Statements	
Note 1 - Material Accounting Policies	7
Note 2 - Income	12
Note 3 - Expenses	13
Note 4 - Current Assets	15
Note 5 - Non-Current Assets	16
Note 6 - Infrastructure, Property, Plant & Equipment & Investment Property	17
Note 7 - Liabilities	18
Note 8 - Reserves	19
Note 9 - Reconciliation of Cash Flow Statement	20
Note 10 - Capital Contributions from Constituent Councils	21
Note 11 - Financial Instruments	22
Note 12 - Expenditure Commitments	25
Note 13 - Financial Indicators	26
Note 14 - Uniform Presentation of Finances	27
Note 15 - Contingent Assets & Contingent Liabilities	28
Note 16 - Events After Statement of Financial Position Date	29
Note 17 - Related Party Disclosures	30
Authority Certificate of Audit Independence	31
Audit Report - Financial Statements	32
Audit Certificate of Audit Independence	33

Central Adelaide Waste and Recycling Authority
General Purpose Financial Reports
for the year ended 30 June 2025

TABLE OF CONTENTS

	Page
Certification of Financial Statements	2
Principal Financial Statements	
Statement of Comprehensive Income	3
Statement of Financial Position	4
Statement of Changes in Equity	5
Statement of Cash Flows	6
Notes to, and forming part of, the Principal Financial Statements	
Note 1 - Material Accounting Policies	7
Note 2 - Income	12
Note 3 - Expenses	13
Note 4 - Current Assets	15
Note 5 - Non-Current Assets	16
Note 6 - Infrastructure, Property, Plant & Equipment & Investment Property	17
Note 7 - Liabilities	18
Note 8 - Reserves	19
Note 9 - Reconciliation of Cash Flow Statement	20
Note 10 - Capital Contributions from Constituent Councils	21
Note 11 - Financial Instruments	22
Note 12 - Expenditure Commitments	25
Note 13 - Financial Indicators	26
Note 14 - Uniform Presentation of Finances	27
Note 15 - Contingent Assets & Contingent Liabilities	28
Note 16 - Events After Statement of Financial Position Date	29
Note 17 - Related Party Disclosures	30
Authority Certificate of Audit Independence	31
Audit Report - Financial Statements	32
Audit Certificate of Audit Independence	33

Central Adelaide Waste and Recycling Authority
Annual Financial Statements
for the year ended 30 June 2025

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.

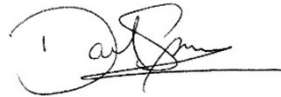
In our opinion:

- 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 2025 and the results of its operations and cash flows for the year ended 30 June 2025.
- 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: 26/09/2025



Mr David Spear
Chair of The Board

Dated: 26/09/2025

Central Adelaide Waste and Recycling Authority
Statement of Comprehensive Income
for the year ended 30 June 2025

	Notes	2025 \$	2024 \$
INCOME			
Kerbside recyclables	2	5,249,274	4,977,869
Net commodity sales	2	517,607	562,094
Site usage	2	475,786	650,647
Investment income	2	13	504
Other income	2	694,737	228,455
Total Income		6,937,417	6,419,569
EXPENSES			
Employee costs	3	226,424	221,753
Materials, contracts & other expenses	3	7,625,834	8,012,401
Depreciation, amortisation & impairment	3	1,477,444	1,105,288
Finance costs	3	1,545,859	1,454,553
Total Expenses		10,875,561	10,793,995
OPERATING SURPLUS / (DEFICIT)		(3,938,144)	(4,374,426)
Amounts received specifically for new or upgraded assets	2	439,499	629,500
NET SURPLUS / (DEFICIT) (transferred to Equity Statement)		(3,498,645)	(3,744,926)
Other Comprehensive Income			
Changes in revaluation surplus - infrastructure, property, plant & equipment	8	-	9,437,393
Total Other Comprehensive Income		-	9,437,393
TOTAL COMPREHENSIVE INCOME		(3,498,645)	5,692,467

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 2025

		2025	2024
	Notes	\$	\$
ASSETS			
Current Assets			
Cash and cash equivalents	4	777,775	877,306
Trade & other receivables	4	832,148	808,350
Inventories	4	378,018	350,416
Total Current Assets		1,987,941	2,036,072
Non-current Assets			
Infrastructure, property, plant & equipment	6	33,438,377	33,752,705
Other non-current assets	5	166,921	17,892
Total Non-current Assets		33,605,298	33,770,597
Total Assets		35,593,239	35,806,669
LIABILITIES			
Current Liabilities			
Trade & other payables	7	1,716,800	1,751,588
Borrowings	7	3,550,046	13
Provisions	7	73,257	-
Total Current Liabilities		5,340,103	1,751,601
Non-current Liabilities			
Borrowings	7	24,881,016	25,788,287
Total Non-current Liabilities		24,881,016	25,788,287
Total Liabilities		30,221,119	27,539,888
NET ASSETS		5,372,120	8,266,781
EQUITY			
Accumulated surplus		(6,659,826)	(3,765,166)
Asset revaluation reserves	8	9,437,393	9,437,393
Capital contributions of councils	10	2,594,554	2,594,554
TOTAL EQUITY		5,372,120	8,266,781

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 2025

		Accumulated Surplus	Asset Revaluation Reserve	Capital Contributions of Councils	TOTAL EQUITY
2025	Notes	\$	\$	\$	\$
Balance at end of previous reporting period		(3,765,166)	9,437,393	2,594,554	8,266,781
Adjustment: correction of prior period error	6	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

2024					
Balance at end of previous reporting period		(20,240)	-	2,594,554	2,574,314
Net Surplus / (Deficit) for Year		(3,744,926)	-	-	(3,744,926)
Gain on revaluation of infrastructure, property, plant & equipment	8	-	9,437,393	-	9,437,393
Balance at end of period		(3,765,166)	9,437,393	2,594,554	8,266,781

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 2025

		2025	2024
	Notes	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
<i>Receipts:</i>			
Other revenues		6,913,620	6,437,561
<i>Payments:</i>			
Employee costs		(183,766)	(244,537)
Materials, contracts & other expenses		(7,774,581)	(8,024,277)
Finance payments		(1,603,648)	(1,370,500)
Net Cash provided by (or used in) Operating Activities	9	<u>(2,648,375)</u>	<u>(3,201,753)</u>
 CASH FLOWS FROM INVESTING ACTIVITIES			
<i>Receipts:</i>			
Amounts received specifically for new or upgraded assets		382,460	758,450
Compensation amounts received		-	1,919,427
<i>Payments:</i>			
Expenditure on new/upgraded assets		(533,615)	(5,366,694)
Net Cash provided by (or used in) Investing Activities		<u>(151,155)</u>	<u>(2,688,816)</u>
 CASH FLOWS FROM FINANCING ACTIVITIES			
<i>Receipts:</i>			
Proceeds from borrowings	7	2,700,000	5,750,000
Net Cash provided by (or used in) Financing Activities		<u>2,700,000</u>	<u>5,750,000</u>
Net Increase (Decrease) in cash held		<u>(99,530)</u>	<u>(140,569)</u>
 Cash & cash equivalents at beginning of period	9	877,306	1,017,875
Cash & cash equivalents at end of period	9	<u>777,776</u>	<u>877,306</u>

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 2025
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 \$3,498,645 in 2025 and has a net asset position of \$5,372,120.

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 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 this Note.

1.5 Rounding

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

1.6 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.

Central Adelaide Waste and Recycling Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2025

Note 1 - MATERIAL ACCOUNTING POLICIES (con't)

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.

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.

6 Inventories

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

Central Adelaide Waste and Recycling Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2025
Note 1 - MATERIAL ACCOUNTING POLICIES (con't)

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.

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.

Central Adelaide Waste and Recycling Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2025

Note 1 - MATERIAL ACCOUNTING POLICIES (con't)

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

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.

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.

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.

Central Adelaide Waste and Recycling Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2025
Note 1 - MATERIAL ACCOUNTING POLICIES (con't)

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 2025

Note 2 - INCOME

	Notes	2025 \$	2024 \$
OPERATIONAL INCOME			
Kerbside recyclables		5,249,274	4,977,869
Net Commodity Sales		517,607	562,094
Site Usage		475,786	650,647
Other income		694,737	228,455
		6,937,404	6,419,065
INVESTMENT INCOME			
Interest on investments:			
Banks & other		13	504
		13	504
GRANTS, SUBSIDIES AND CONTRIBUTIONS			
Amounts received specifically for new or upgraded assets		439,499	629,500
		439,499	629,500
Sources of grants			
State government		-	129,500
Other		439,499	500,000
		439,499	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 2025

Note 3 - EXPENSES

	Notes	2025 \$	2024 \$
EMPLOYEE COSTS			
Salaries and wages		184,616	201,640
Employee leave expense		41,808	15,794
Workers' Compensation Insurance		-	4,319
Total Operating Employee Costs		226,424	221,753
 Total Number of Employees		 1	 -
<i>(Full time equivalent at end of reporting period)</i>			
 OTHER MATERIALS, CONTRACTS, & EXPENSES			
<u>Prescribed Expenses</u>			
- Auditing the financial reports		16,370	19,140
Subtotal - Prescribed Expenses		16,370	19,140
 <u>Other Materials, Contracts & Expenses</u>			
Consulting Fees		566,549	543,857
Computer Expenses		14,151	10,807
Fees & Permits		17,607	16,740
Fringe benefits tax		5,707	9,398
Government Fees		-	1,086
Insurance		393,134	323,100
Legal Expenses		10,965	34,300
Maintenance		9,567	54,202
Operator Costs		6,452,603	6,882,239
Rates and Taxes		17,195	14,533
Sitting Fees		32,685	47,535
Subscriptions		10,728	8,591
Sundry		67,211	38,471
Travel		11,362	8,402
Subtotal - Other Materials, Contracts & Expenses		7,609,464	7,993,261
		7,625,834	8,012,401

Central Adelaide Waste and Recycling Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2025
Note 3 - EXPENSES (con't)

	Notes	2025 \$	2024 \$
DEPRECIATION, AMORTISATION & IMPAIRMENT			
Depreciation			
Plant, Machinery & Equipment		1,469,168	1,094,786
Office Equipment, Furniture & Fittings		8,276	10,502
		<u>1,477,444</u>	<u>1,105,288</u>
FINANCE COSTS			
Interest on Loans		1,545,859	1,454,553
		<u>1,545,859</u>	<u>1,454,553</u>

Central Adelaide Waste and Recycling Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2025

Note 4 - CURRENT ASSETS

		2025	2024
CASH & EQUIVALENT ASSETS	Notes	\$	\$
Cash on hand and at bank		777,775	877,306
		777,775	877,306
TRADE & OTHER RECEIVABLES			
Accounts receivable - general		206,279	233,646
Accrued income		478,648	437,622
GST recoupment		15,870	7,353
Prepayments		131,351	129,729
		832,148	808,350
INVENTORIES			
Stores & materials		367,662	350,000
Trading stock		10,356	416
		378,018	350,416

Central Adelaide Waste and Recycling Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2025
Note 5 - NON-CURRENT ASSETS

	Notes	2025 \$	2024 \$
OTHER NON-CURRENT ASSETS			
Capital works-in-progress		166,921	17,892
		<u>166,921</u>	<u>17,892</u>

Central Adelaide Waste and Recycling Authority

Notes to and forming part of the Financial Statements

for the year ended 30 June 2025

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

	Fair Value Level	2024				2025			
		Fair Value	Cost	Acc' Dep'n	Carrying Amount	Fair Value	Cost	Acc' Dep'n	Carrying Amount
Land		-	1,091,863	-	1,091,863	-	1,091,863	-	1,091,863
Computer Equipment		-	33,423	(30,590)	2,833	-	33,423	(31,777)	1,646
Office Equipment		-	56,833	(25,555)	31,278	-	59,244	(32,644)	26,600
Infrastructure		-	-	-	-	-	-	-	-
- Materials Recovery Facility	3	26,185,000	-	(3,927,750)	22,257,250	26,185,000	-	(5,126,274)	21,058,726
Property Improvements		-	11,739,269	(1,396,284)	10,342,985	-	12,295,989	(1,054,994)	11,240,995
Motor Vehicle		-	44,945	(18,449)	26,496	-	44,945	(26,398)	18,547
Total IPP&E		26,185,000	12,966,333	(5,398,628)	33,752,705	26,185,000	13,525,464	(6,272,087)	33,438,377
Comparatives		-	21,065,723	(1,498,657)	19,567,066	26,185,000	12,966,333	(5,398,628)	33,752,705

	2024						2025
	Carrying amount	Additions		Disposals	Depreciation	Opening Balance Adjustment	Carrying Amount
		New/Upgrade	Renewals				
Land	1,091,863	-	-	-	-	-	1,091,863
Computer Equipment	2,833	-	-	-	(1,187)	-	1,646
Office Equipment	31,278	2,410	-	-	(7,089)	-	26,599
Infrastructure	-	-	-	-	-	-	-
- Materials Recovery Facility	22,257,250	-	-	-	(1,198,524)	-	21,058,726
Property Improvements	10,342,985	556,721	-	-	(262,694)	603,985	11,240,997
Motor Vehicle	26,496	-	-	-	(7,949)	-	18,547
Total IPP&E	33,752,705	559,131	-	-	(1,477,444)	603,985	33,438,377
Comparatives	19,567,066	5,853,534	-	-	(1,105,288)	9,437,393	33,752,705

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)

Prior Year Accounting Error

During the current financial year, the Authority identified and corrected an immaterial error with the depreciation rate applied to the Buildings/Property Improvements in prior periods. The historical overclaim of depreciation totalling \$603,985 has been recognised against equity. Comparative figures have not been reinstated as the impact has been deemed as immaterial.

Central Adelaide Waste and Recycling Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2025

Note 7 - LIABILITIES

		2025		2024	
		\$		\$	
TRADE & OTHER PAYABLES	Notes	Current	Non-current	Current	Non-current
Accrued expenses - Other		824,515	-	841,092	-
Accounts payable - General		881,012	-	910,496	-
Other payables		11,273	-	-	-
		1,716,800	-	1,751,588	-

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

BORROWINGS

Corporate credit cards		46	-	13	-
Loans		3,550,000	24,881,016	-	25,788,287
		3,550,046	24,881,016	13	25,788,287

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

PROVISIONS

Employee entitlements - Annual leave		4,134	-	-	-
Employee entitlements - Long service leave		69,123	-	-	-
		73,257	-	-	-

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

Central Adelaide Waste and Recycling Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2025
Note 8 - RESERVES

ASSET REVALUATION RESERVE	Notes	01/07/2024	Net Increments (Decrements)	Transfers, Impairments	30/06/2025
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 2025

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	2025 \$	2024 \$
Total cash & equivalent assets	4	777,775	877,306
Balances per Cash Flow Statement		<u>777,775</u>	<u>877,306</u>

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

Net Surplus (Deficit)	(3,498,645)	(3,744,926)
Non-cash items in Income Statement		
Depreciation, amortisation & impairment	1,477,444	1,105,288
Grants for capital acquisitions treated as investing activity	(439,499)	(629,500)
	<u>(2,460,700)</u>	<u>(3,269,138)</u>
Add (Less): Changes in Net Current Assets		
Net (increase) decrease in receivables	(22,176)	135,408
Net (increase) decrease in inventories	(27,602)	128
Net (increase) decrease in prepayments	(1,622)	-
Net increase (decrease) in payables	(209,565)	(68,151)
Net increase (decrease) in other provisions	73,257	-
Net increase (decrease) in other liabilities	33	-
Net Cash provided by (or used in) operations	<u>(2,648,375)</u>	<u>(3,201,753)</u>

Central Adelaide Waste and Recycling Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2025

Note 10 - CAPITAL CONTRIBUTIONS OF CONSTITUENT COUNCILS

	Notes	2025 \$	2024 \$
City of Charles Sturt Movement Table			
Opening balance		1,297,277	1,297,277
Contributions		-	-
Closing Balance		<u>1,297,277</u>	<u>1,297,277</u>
City of Port Adelaide Enfield Movement Table			
Opening balance		1,297,277	1,297,277
Contributions		-	-
Closing Balance		<u>1,297,277</u>	<u>1,297,277</u>

Central Adelaide Waste and Recycling Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2025
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 fixed interest rates between 3.88% and 5.17% (2024: between 4.05% & 5.30%). 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 September 2025 for Loan Facility Agreement No.3 and in June 2028 for Loan Facility Agreement No 4 (not yet drawn); interest is charged at variable rates between 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 2025
Note 11 - FINANCIAL INSTRUMENTS (con't)

Liquidity Analysis

2025	Due < 1 year	Due > 1 year ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
<u>Financial Assets</u>	\$	\$	\$	\$	\$
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
<u>Financial Liabilities</u>					
Payables	1,716,800	-	-	1,716,800	1,716,800
Current Borrowings	3,550,046	-	-	3,550,046	3,550,046
Non-Current Borrowings	3,550,000	2,000,000	22,881,016	28,431,016	24,881,016
Total	8,816,846	2,000,000	22,881,016	33,697,862	30,147,862

2024	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
<u>Financial Assets</u>	\$	\$	\$	\$	\$
Cash & Cash Equivalents	877,306	-	-	877,306	877,306
Receivables	808,350	-	-	808,350	808,350
Total	1,685,656	-	-	1,685,656	1,685,656
<u>Financial Liabilities</u>					
Payables	1,751,588	-	-	1,751,588	1,751,588
Current Borrowings	13	-	-	13	13
Non-Current Borrowings	-	2,950,000	22,838,287	25,788,287	25,788,287
Total	1,751,601	2,950,000	22,838,287	27,539,888	27,539,888

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

	30 June 2025		30 June 2024	
	Weighted Average Interest Rate	Carrying Value	Weighted Average Interest Rate	Carrying Value
	%	\$	%	\$
Variable Interest Rates	5.98%	24,881,016	6.12%	25,788,287
		24,881,016		25,788,287

Central Adelaide Waste and Recycling Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2025
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 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. 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 2025

Note 12 - CAPITAL EXPENDITURE COMMITMENTS

	Notes	2025 \$	2024 \$
Capital Commitments			
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:			
Plant & Equipment (Upgrade works)		-	301,551
		<u>-</u>	<u>301,551</u>
These expenditures are payable:			
Not later than one year		-	301,551
		<u>-</u>	<u>301,551</u>

Central Adelaide Waste and Recycling Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2025

Note 13 - FINANCIAL INDICATORS

	2025	2024	2023
Operating Surplus Ratio			
<u>Operating Deficit</u>	-57%	-68%	-75%
Total Operating Income			

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

Net Financial Liabilities Ratio

<u>Net Financial Liabilities</u>	412%	403%	343%
Total Operating Income			

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 2025

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.

	2025	2024
	\$	\$
Income		
Kerbside recyclables	5,249,274	4,977,869
Net commodity sales	517,607	562,094
Site usage	475,786	650,647
Investment income	13	504
Other income	694,737	228,455
	6,937,417	6,419,569
Expenses		
Employee costs	226,424	221,753
Materials, contracts & other expenses	7,625,834	8,012,401
Depreciation, amortisation & impairment	1,477,444	1,105,288
Finance costs	1,545,859	1,454,553
	(10,875,561)	(10,793,995)
Adjusted Operating Surplus / (Deficit)	(3,938,144)	(4,374,426)
Net Outlays on Existing Assets		
Add back depreciation, amortisation and impairment	1,477,444	1,105,288
Compensation amounts received	-	1,919,427
	1,477,444	3,024,715
Net Outlays on New and Upgraded Assets		
Capital expenditure on new and upgraded assets <i>(including investment property & real estate developments)</i>	(533,615)	(5,366,694)
Amounts received specifically for new and upgraded assets	382,460	758,450
	(151,155)	(4,608,244)
Adjusted Annual Net Impact to Financing Activities (surplus/(deficit))	(2,611,855)	(5,957,954)

Central Adelaide Waste and Recycling Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2025

NOTE 15 - CONTINGENT ASSETS & CONTINGENT LIABILITIES

The Authority has reviewed all known events and conditions as at the reporting date of 30 June 2025 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 2025

NOTE 16 - EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE

Events that occur after the reporting date of 30 June 2025, 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 2025
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 2025 were \$256,247
(2024: \$278,686)

CONSTITUENT COUNCILS

Amounts paid or payable to City of Charles Sturt during the year ended 30 June 2025 were \$199,671
(2024: \$198,859)

Amounts paid or payable to City of Port Adelaide Enfield during the year ended 30 June 2025 were \$231,536
(2024: \$117,044)

Amounts received or receivable from the City of Charles Sturt during the year ended 30 June 2025 were \$1,731,478
(2024: \$1,716,204)

Amounts received or receivable from the City of Port Adelaide Enfield during the year ended 30 June 2025 \$1,797,021
(2024: \$1,788,087)

Central Adelaide Waste and Recycling Authority

CERTIFICATION OF AUDITOR INDEPENDENCE

for the year ended 30 June 2025

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 2025, the Auditor, Dean Newbery Pty Ltd, has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) 2011* made under that act.

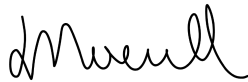
This statement is prepared in accordance with the requirements of Regulation 22(3)(b) *Local Government (Financial Management) Regulations 2011*.



Peter Brass

Acting Chair of Audit & Risk Committee - CAWRA

Date: 26 / 9 / 2025



Leah Maxwell

Chief Executive Officer - CAWRA

Date: 26/9/2025



**Central Adelaide Waste and
Recycling Authority**

25 Mill Ct, Kilburn, South Australia 5084

Phone: 0477 464 866

Email: enquiries@cawra.sa.gov.au



Appendix 3: Audit and Risk Committee Annual Report 2024/25



AUDIT AND RISK COMMITTEE ANNUAL REPORT 2024/25

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 2024/25.

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.

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 2024 to 30 June 2025, 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 on 1 December 2024 until 13 November 2026.

The Committee met on four 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 33 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 George Turelli (Chair) 12/12/23 to 30/11/24	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
29 July 2024	-	✓	-	✓	✓	✓
29 October 2024	-	✓	✓	✓	✓	✓
26 February 2025	✓	-	✓	✓	-	✓
23 April 2025	✓	-	-	✓	✓	-

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 2024/25 are summarised below.

External Audit

Financial External Audit Work Plan 2024/2025	To present the Financial External Audit Plan from Galpins for the financial year ending 30 June 2025.
Interim External Audit – Financial Controls 2024/25	To present the interim external audit 2024/25 findings for Councils financial controls.

Financial Management

Year End Audited Financial Statements June 2024	To present the Audit and Risk Committee with the Audited Financial Statements for the 2023/24 financial year.
Annual Report and Year End Audited Financial Statements 2023/24 - Central Adelaide Waste and Recycling Authority (CAWRA)	To present to the Audit and Risk Committee the Annual Report and Audited Financial Statements for the Central Adelaide Waste and Recycling Authority (CAWRA) to be endorsed and included as part of the City of Charles Sturt's Annual Report 2023/24.
Review of Long Term Financial Plan Assumptions and framework for development of the Annual Budget 2025/26	To review the updated Long Term Financial Plan (LTFP) scenarios including assumptions which will provide the framework for the development of the 2025/26 annual budget and be used to assess ongoing financial sustainability.
Better Practice Model Internal Financial Control Review	This report presents the results of the Internal Financial Controls self-assessment, undertaken in February to March 2025.

Risk Management

Presentation – JLT Public Sector Risk Report	Mr Tony Gray, General Manager and Mr Quenten Watkins, Client Services Manager, for the Local Government Risk Services will present the results of the JLT Public Sector Risk Survey that was conducted in October 2024. This presentation is a precursor to the corresponding report that will soon be released.
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Organisational Risk Register	To provide the Audit and Risk Committee with an update on the current status of the Organisational Risk Register.
Strategic Risks – High and Extreme	This report provides the Audit and Risk Committee oversight of the status of Council's high and extreme strategic risks.
Financial Year 2024/2025 Insurance Program Update	To provide the Audit and Risk Committee with an update on the 2024/2025 insurance program.

Internal Audit

Internal Audit Workplan Status Update (Quarterly)	To provide the Audit and Risk Committee with a progress update for the Internal Audit Plan for 2024 - 2025.
Internal Audit Report – Data Governance	To present the City of Charles Sturt Data Governance Internal Audit Report to the Audit and Risk Committee.
Review of Outstanding Management Actions from Previous Internal Audit– High Rated Actions	To provide the Audit and Risk Committee with an update on the status of any high and extreme risk rated outstanding management actions from previous internal audits.
Internal Audit Report – Cloud Vendor/Third Party Cyber Risk Assessment	To present the City of Charles Sturt Cloud Vendor/ Third Party Cyber Risk Assessment Internal Audit Report to the Audit and Risk Committee.
Project / Initiative Management and Delivery Framework	The Draft Initiative Delivery Framework has been broadened in scope to include a range of impactful initiatives beyond project management. The Framework is presented to the Audit Committee for comment. Following receipt of comments it will be finalised and a training and implementation program put in place so support its ongoing operation. This will be supported by the PMO under the guidance of the Office of the CEO and Manager Performance & Innovation.
Follow Up of Agreed Internal Audit Actions	To provide the Audit and Risk Committee with an update on the status of all complete and outstanding actions from previous internal audits.
Status Update for All Outstanding Internal Audit Actions	To provide the Audit and Risk Committee with an update on the status of all outstanding actions from previous internal audits.

Internal Audit Report – Community Facilities Benchmarking	To present the City of Charles Sturt Community Facilities Benchmarking Internal Audit Report to the Audit and Risk Committee.
CEO Annual Report on Internal Audit Process	To provide the Audit and Risk Committee with an annual overview of Council's Internal Audit processes. This is required to be provided to the Audit and Risk Committee in accordance with the Local Government Act 1999.

Other Matters Considered

Audit and Risk Committee Workplan (Quarterly)	To provide the Audit and Risk Committee with an update on the 2024 and 2025 Workplans.
Section 48 Prudential Report – Grange Recreation Reserve Redevelopment	This report has been prepared under the requirements of Section 48 of the Local Government Act 1999. This section of the Act requires that Council obtain and consider a report that addresses the prudential issues set out in subsection 48(2) before the Council engages in any project where the expected capital cost of the project over the ensuing five years is likely to exceed \$4.00 million (indexed). The Grange Recreation Reserve Clubroom Redevelopment has an estimated construction cost of \$6.141million and a total project cost estimate of \$6.98 million, therefore it is necessary for the section 48 requirements to be addressed for this project.
Presentation – Organisational Restructure	To provide the Audit and Risk Committee with a verbal update from the Chief Executive Officer on the Organisational Structure Review.
Biennial Audit and Risk Committee Performance Review and Review of Terms of Reference	The Council and Committees Membership and Terms of Reference requires that the Audit and Risk Committee shall at least biennially, review its own performance to assess the effectiveness of the Committee. The review will provide opportunity for the Committee to recommend any changes needed to the Terms of Reference to improve its performance.
Biennial Audit and Risk Committee Performance Review 2024 Results	At the Audit and Risk Committee meeting of 28 October 2024, Committee Members were presented with the opportunity to participate in a Biennial Performance Review to assess the effectiveness of the Committee and to provide Council feedback on recommended

	business improvements for efficiencies within the scope of the Audit and Risk Committee's responsibilities. This report presents the findings of the survey.
Audit and Risk Committee Annual Report to Council	Following changes to the Local Government Act 1999, the Audit and Risk Committee is required to provide an annual report to Council, providing an overview of the business undertaken during the previous twelve months. This annual report is required to be approved by Council and included within the Council's Annual Report for the relevant financial year.
Presentation – Cyber Security	To provide the Audit and Risk Committee with an update on the progress of cyber security strategies that have been implemented and planned, to ensure that identified risks are addressed within current and future environments.
Confidential Session – Audit and Risk Committee and Council Auditors	It is considered best practice that the Audit and Risk Committee are give the opportunity at least once within a year to discuss Council's financial position confidentially with Council's external auditor, without the presence of staff or the community, to encourage further transparency and assurance.
Initiative Delivery Program Update (Quarterly)	To provide the Audit and Risk Committee with a status update of the Initiative Delivery Program for 2024/25.

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 and Council's Internal Auditor, KPMG staff 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 at least 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 Council and Committees Membership and Terms of Reference (TOR) 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

Three out of five Members responded to the annual performance survey.

Out of the 40 survey questions asked of the participants, 90% were responded to with either "Agree I Good" or "Strongly Agree I Exceptional". Four of the questions received a "Neutral" response aligning to questions that were irrelevant to the Committee for this reporting period.

No feedback or comments were received from participants to the survey or in relation to suggested changes to the TOR.

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	National General Assembly 2025 IPWEA Infrastructure and Asset Management Planning for Elected Members 2025 Mid-Year Mandatory Training – Financial Management
Councillor Senthil Chidambaranathan	Mid-Year Mandatory Training – Financial Management
Peter Brass	Nil
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
22 October 2025

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

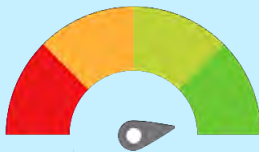
City of Charles Sturt

AT A GLANCE

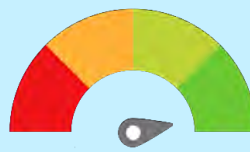
OVERVIEW

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.

Table of contents

City of Charles Sturt AT A GLANCE	i
1 Executive summary.....	1
1.1 Summary of observations.....	1
1.2 Summary of Recommendations.....	2
2 About the advice.....	3
2.1 Background.....	3
2.2 The Commission's approach.....	3
3 Council profile.....	6
4 Material plan amendments in 2024-25.....	7
4.1 Key points.....	7
4.2 General observations on the LTFP, ABP and IAMP.....	8
4.3 Changes to operating performance.....	8
4.4 Changes to capital expenditure estimates.....	9
5 Financial sustainability.....	10
5.1 Operating performance.....	10
5.1.1 Key points.....	10
5.1.2 Operating Surplus Ratio.....	10
5.1.3 Operating Income.....	11
5.1.4 Expenditure.....	12
5.1.5 Commission's recommendations on operating performance.....	14
5.2 Net financial liabilities.....	15
5.2.1 Key points.....	15
5.2.2 The Commission's recommendations on financial liabilities.....	18
5.3 Asset renewals expenditure.....	18
5.3.1 Key points.....	18
5.3.2 The Commission's advice on asset renewals funding.....	22
6 Advice on current and projected rate levels.....	24
6.1 Key points.....	24
6.2 Historical rates growth.....	24
6.3 Projected rate increases for 2024-25.....	25
6.4 Projected further rate increases.....	26
6.5 Affordability risk.....	27
6.5.1 The Commission's advice on affordability risk.....	27
7 The Commission's next advice and focus areas.....	29
8 Appendix: Glossary of terms.....	30

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.

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.

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

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.

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 2022-23¹⁷).

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.

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 annum²³
- ▶ 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&rqn=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.

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

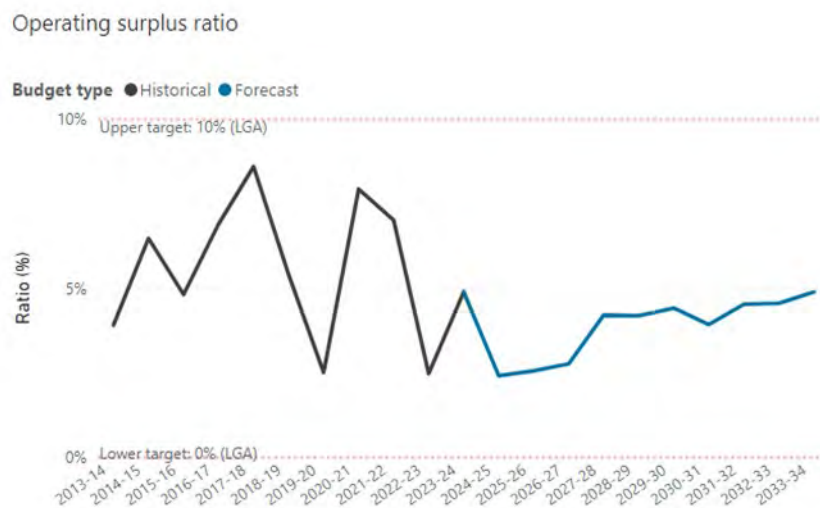
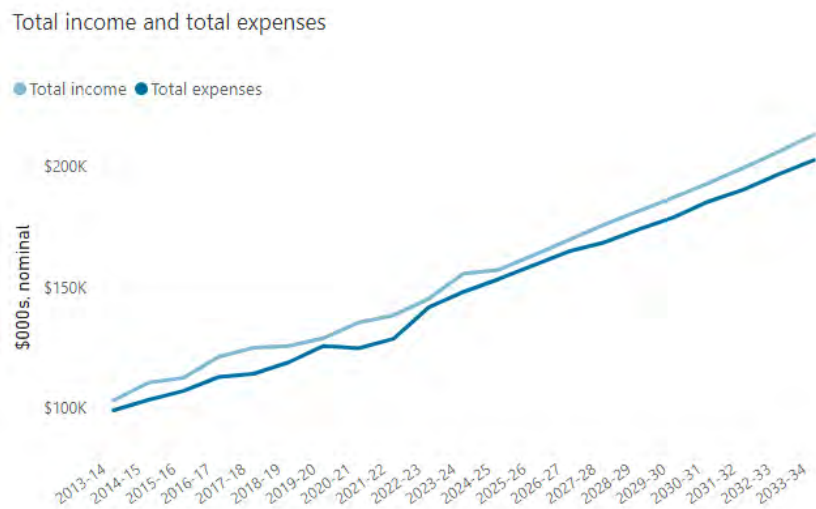


Figure 2: Total income and expenses – historical and forecast



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 ratio³⁸ 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).

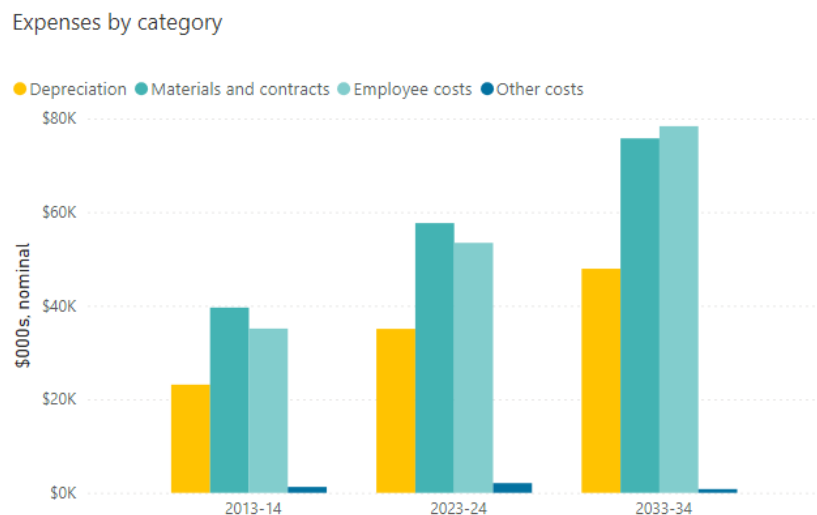
Grants income has been 'lumpy' from year to year.⁴⁰ The three-year average of \$148 per ratepayer in 2015-16 is compared with the three-year average of \$202 per ratepayer in 2022-23, reflecting an increase in value in real terms (or 4.6 percent increase per annum in nominal terms).

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 costs⁴², 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

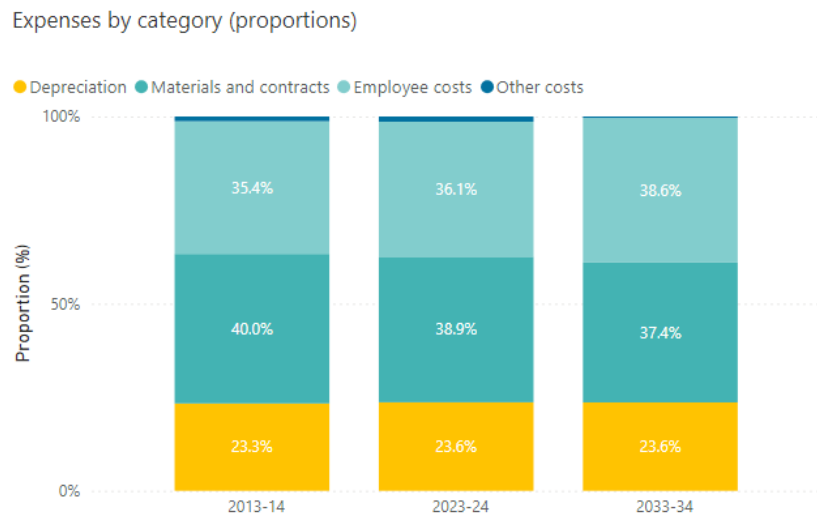


⁴⁰ Due to the timing of different grants and sometimes advance grant payments (as for the 2023-24 grant allocation, which was received and accounted for in 2022-23).

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



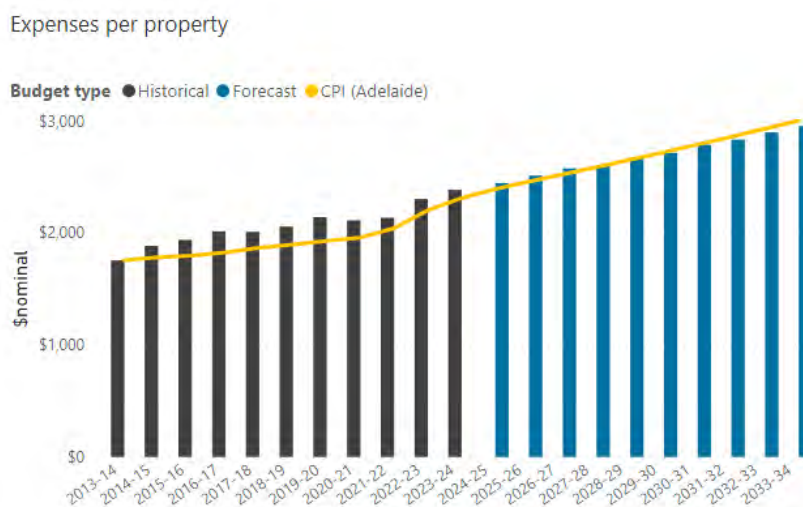
For the forecast period (from 2024-25 to 2033-34), the Council projects a 3.1 percent average expense growth, which is lower than the annual average growth of 4.1 percent for the nine years to 2022-23, and is higher than the RBA-based forecast inflation growth.⁴³ It is noted that the Council reported 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.

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 its 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.

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.

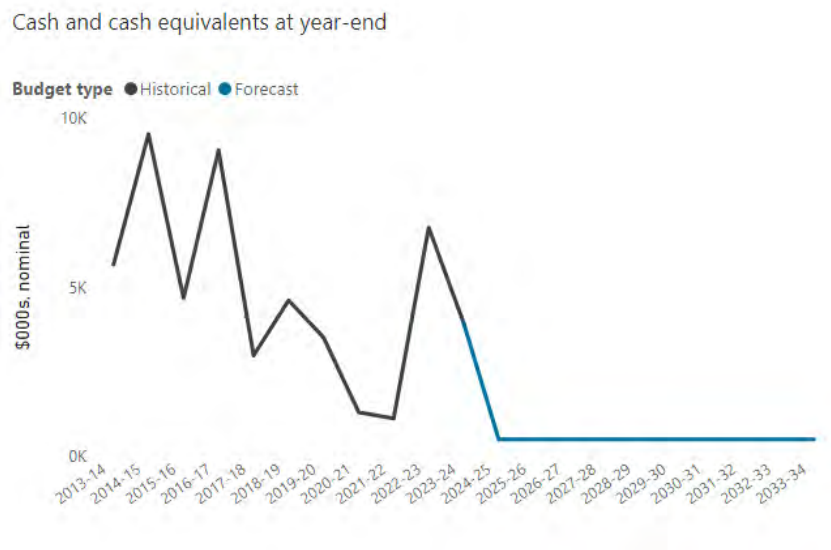
Despite the Council's frequent operating surpluses over the last 10 years, its net cash flows after operating and investing (that is, capital-related) activities have averaged negative \$1.8 million annually between 2013-14 and 2022-23.⁴⁷ These are the cash flows generally available for debt repayments (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.

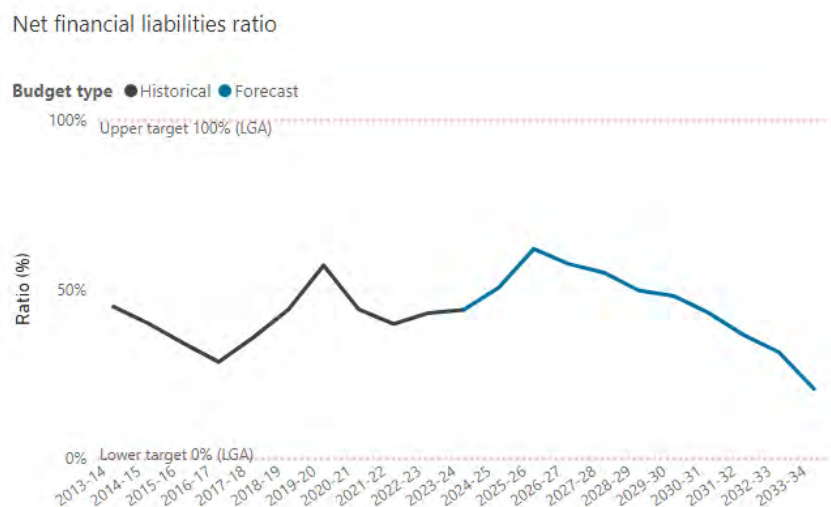
⁴⁸ City of Charles Sturt, *Annual Business Plan and Budget 2024/25*, June 2024, p.14.

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

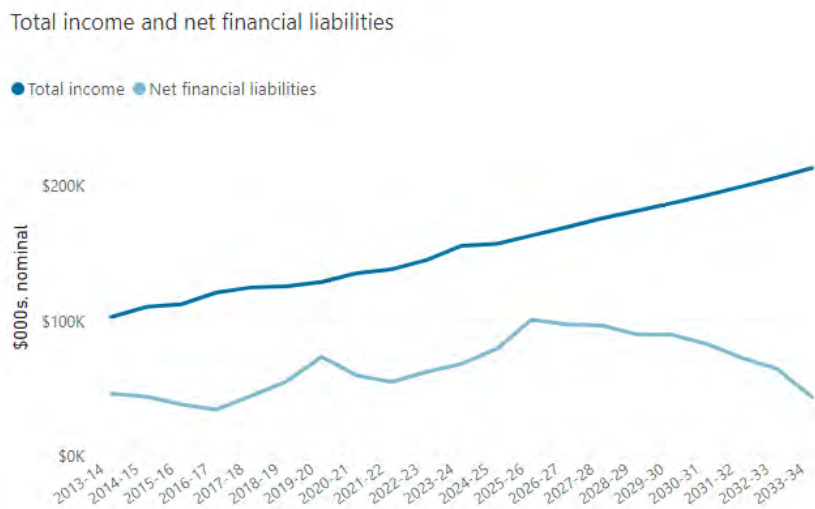


The Council has estimated that the NFLR will peak at 62.0 percent in 2025-26,⁵⁰ with borrowings forecast to peak at \$72.6 million in 2025-26. Over the remaining period of the LTFP, the Council is projecting net borrowing repayments totalling \$60.9 million, and the net financial liabilities ratio is 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:

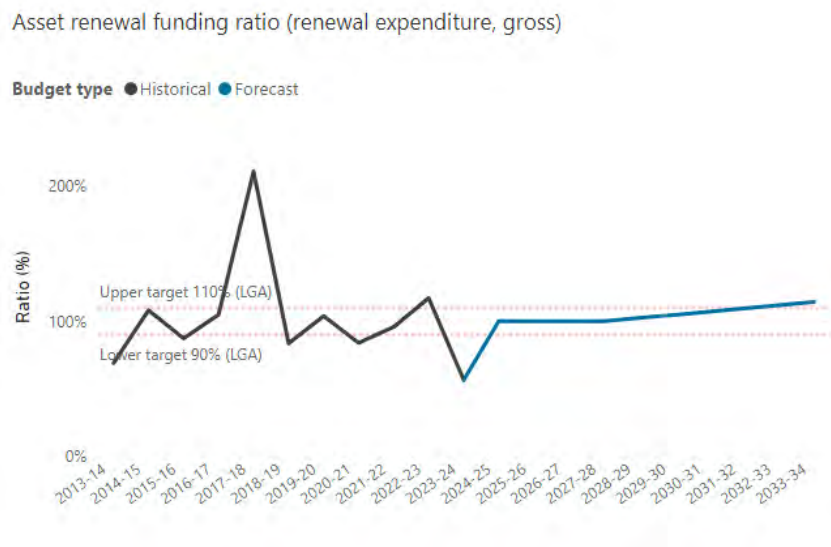
4. **Consider** its pace of repayment of debt, balancing financial costs, the program of development of new assets and intergenerational equity.

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



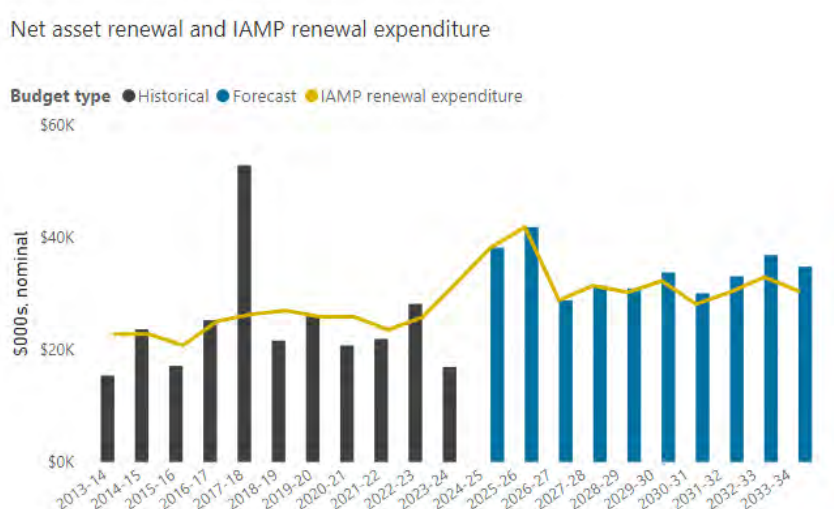
⁵³ 'Intergenerational equity' relates to fairly sharing of services and the revenue generated to fund the services between current and future ratepayers.

Historically, the Council has generally met the suggested LGA target range for its asset renewal funding ratio⁵⁴ 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



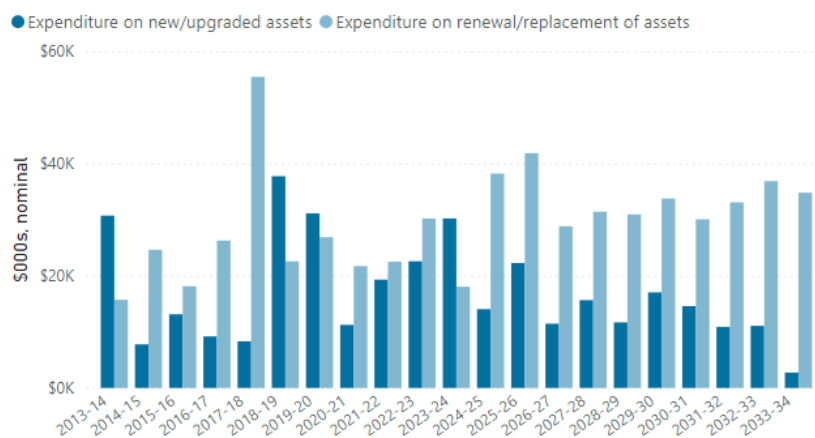
⁵⁴ The IAMP-based method is the current industry standard whereby asset renewal/replacement expenditure is divided by the recommended expenditure in the IAMP (or AMP). Ideally, this will show the extent to which a council's renewal or replacement expenditure matches the need for this expenditure, as 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

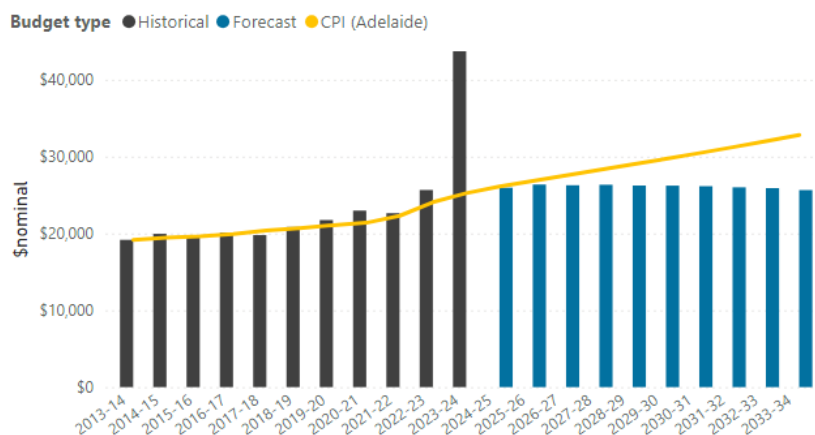
Total capital expenditure by category



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

Value of asset stock per rateable property



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.

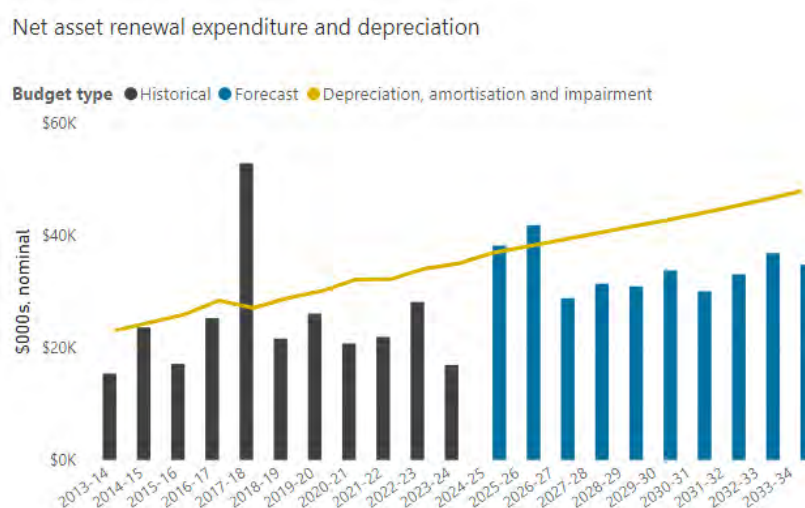
⁵⁷ The value of Council land (last valued at 1 July 2018) is included in this calculation which represents 20.0 percent of the total value of 'Infrastructure, Property, Plant and Equipment' as of 30 June 2023. City of Charles Sturt, *General Purpose Financial Statements for the year ended 30 June 2023* (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.

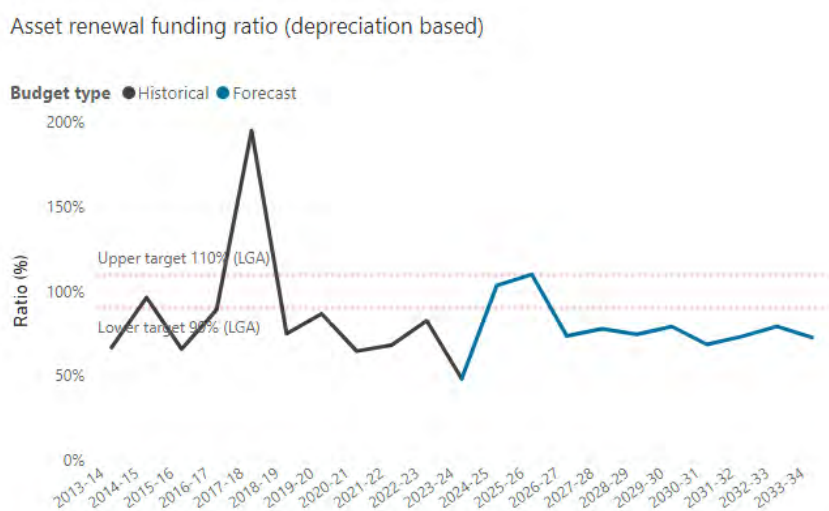
Figure 14: Net asset renewal expenditure and depreciation – historical and projected



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:

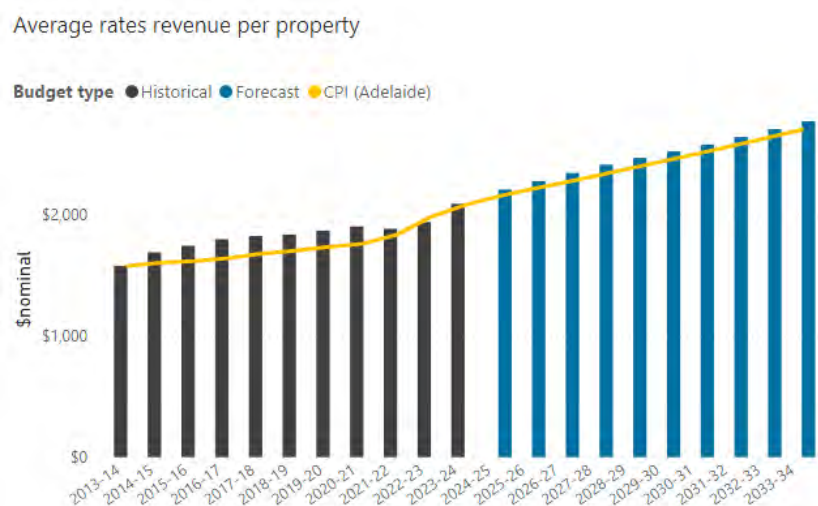
6. **Continue** to review its long-term asset base assumptions, including asset valuations, and asset lives, as necessary, informing its forecast rate of asset consumption and depreciation expenses and asset renewal needs in its LTFP and AMPs.

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

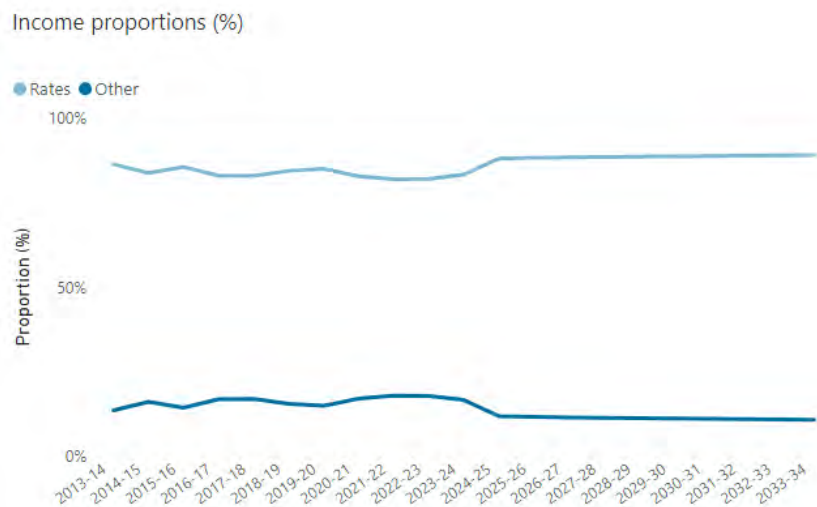
Over the past 10 years,⁶¹ the Council's rate revenue per property has increased at an average annual rate of 2.3 percent, equating to \$40 per property per year, reaching an estimated \$1,939 per property in 2022-23 (see Figure 16). This growth rate was less than the average CPI increase of 2.6 percent 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/>.

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 annum⁷⁷ (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 area⁷⁹
- ▶ 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: $\text{Asset Renewal Expenditure} \div \text{IAMP Renewal Expenditure}$ Where IAMP Renewal Expenditure is that required according to the IAMP.
Commission	Essential Services Commission, established under the <i>Essential Services Commission Act 2002</i>
CPI	Consumer Price Index (Adelaide, All Groups)
Council	City of Charles Sturt
ESC Act	<i>Essential Services Commission Act 2002</i>
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	<i>Local Government Act 1999</i>
LGA SA Financial Indicators Paper	Local Government Association of South Australia, Financial Sustainability Information Paper 9 - Financial Indicators Revised May 2019
LGGC	Local Government Grants Commission
LGPI	Local Government Price Index
LTFP	Long-term financial plan
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: $\text{Net financial liabilities} \div \text{Total Operating Income}$
OSR	Operating Surplus Ratio The Operating Surplus (Deficit) is defined as: $\text{Total Operating Income} \text{ LESS } \text{Total Operating Expenses}$

Item	Explanation
	The Operating Surplus Ratio is defined as: Operating Surplus (Deficit) ÷ Total Operating Income
Regulations	<i>Local Government (Financial Management) Regulations 2011</i>
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 and Litter Control Act 2016

Local Nuisance and Litter Control Act and Regulations

(a) the number of complaints of local nuisance or littering received by the council.

	Number of requests
Local Nuisance	130
Amenity	48
Amenity – Animal related nuisance	2
Insanitary Conditions	81
Dust	14
Light	204
Noise	37
Odour	90
Other	25
Smoke	9
Vibration	2,360
Illegal Dumping Non-Safety Risk	365
Illegal Dumping Public Safety Risk	

(b) the number and nature of;

(i) offences under the Act that were expiated;

	Number of Offences
Causing local nuisance (Body Corporate)	LNLC18-2-(a) 7
Causing local nuisance	LNLC18-2(b) 9
Person must cease Local Nuisance if asked	LNLC20 0
Dispose of Class A Hazardous Litter (natural person)	LNLC22-1a 0
Dispose of Class A Hazardous Litter (Body Corporate)	LNLC22-1a-1 0
Dispose Over 50l Class B Hazardous/General Litter (natural person)	LNLC22-1b(ii) 8
Dispose Over 50l Class B Hazardous/General Litter (Body Corporate)	LNLC22-1b(i) 12
Dispose up to 50 litres Class B Hazardous Litter	LNLC22-1c 1
Dispose up to 50 litres General Litter	LNLC22-1d 6
Bill Posting	LNLC23-1 0
Failing to comply with a litter or nuisance abatement notice	LNLC30-9 1

(ii) offences under the Act that were prosecuted;

Number of Offences

Nil

(iii) nuisance abatement notices or litter abatement notices issued;

Number of Notices

3

(iv) civil penalties negotiated under section 34 of the Act;

Number of Penalties

Nil

Local Nuisance and Litter Control Act and Regulations

(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; and

Number of Applications

Nil

(c) any other functions performed by the council under the Act.

Number of Other

12

Local Nuisance Exemptions issued under
Section 19 of the Act.