NOTICE OF COUNCIL MEETING

Pursuant to the provisions of section 88 (1) of the
Local Government Act 1999

Audit & Risk Committee Meeting of the

Adelaide Plains Council

will be held in

Council Chamber
Redbanks Road
Mallala

on

Wednesday 12 August 2026 at 2:00PM

James Miller
CHIEF EXECUTIVE OFFICER

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1 ACKNOWLEDGEMENT OF COUNTRY

Council acknowledges that we meet on the traditional country of the Kaurna people of the Adelaide Plains and pays respect to elders past, present and emerging. We recognise and respect their cultural heritage, beliefs and relationship with the land and we acknowledge that they are of continuing importance to the Kaurna people living today.

2 ATTENDANCE RECORD

3 MINUTES

3.1 Confirmation of Minutes - Audit & Risk Committee Meeting - 3 June 2026

RECOMMENDATION

"that the minutes of the Audit and Risk Committee Meeting held on 3 June 2026 (MB Folios 414 to 423 inclusive), be accepted as read and confirmed."

MINUTES

of the

Audit & Risk Committee Meeting

Held, pursuant to the provisions of the
Local Government Act 1999, in the

Council Chamber
Redbanks Road
Mallala

on

Wednesday 3 June 2026 at 2:00pm

The Chairperson formally declared the meeting open at 2:02pm.

1 ACKNOWLEDGEMENT OF COUNTRY

The Audit and Risk Committee acknowledges that we meet on the traditional country of the Kaurna people of the Adelaide Plains and pays respect to elders past, present and emerging. We recognise and respect their cultural heritage, beliefs and relationship with the land and we acknowledge that they are of continuing importance to the Kaurna people living today.

2 ATTENDANCE RECORD

2.1 Present:

Mr Alan Rushbrook (Chairperson)

Ms Julie Best (Independent Member)

Mr Peter Fairlie-Jones (Independent Member)

Mr Peter Scargill (Independent Member)

Councillor Margherita Panella (Elected Member)

Also in Attendance:

Chief Executive Officer	Mr James Miller
Chief Financial Officer	Mr Rajith Udugampola
Director Infrastructure and Environment	Mr Tom Jones
Acting Director Corporate Services	Ms Clarisse Semler-Hanlon
Acting Manager Governance	Ms Paige Graham
Acting Procurement Advisor	Ms Carmel Vandermolen
Executive Assistant to the CEO/Mayor	Ms Susan Cook
Acting Governance Administration Officer/Minute Taker	Ms Alison O'Shea

2.2 Apologies:

Nil

3 MINUTES

3.1 CONFIRMATION OF MINUTES - AUDIT & RISK COMMITTEE MEETING - 1 APRIL 2026

COMMITTEE RESOLUTION 2026/46

Moved: Mr Fairlie-Jones
Seconded: Mr Scargill

"that the minutes of the Audit and Risk Committee Meeting held on 1 April 2026 (MB Folios 403 to 413 inclusive), be accepted as read and confirmed."

CARRIED

4 BUSINESS ARISING

Nil

5 DECLARATION OF MEMBERS' INTEREST

Nil

The Chairperson sought leave of the meeting to bring forward Item 7.8 – Independent Procurement Review.
Leave was granted.

7.8 INDEPENDENT PROCUREMENT REVIEW

COMMITTEE RESOLUTION 2026/47

Moved: Mr Rushbrook
Seconded: Councillor Panella

"that the Audit and Risk Committee suspend meeting procedures pursuant to regulation 20(1) of the *Local Government (Procedures at Meetings) Regulations 2013* for a period of time sufficient to facilitate informal discussions in relation to item 7.8 – Independent Procurement Review."

CARRIED

The Chairperson suspended meeting procedures at 2:09pm.
The Chairperson resumed meeting procedures at 2:31pm.

COMMITTEE RESOLUTION 2026/48

Moved: Ms Best
Seconded: Mr Fairlie-Jones

"that the Audit & Risk Committee, having considered Item 7.8 – *Independent Procurement Review*, dated 3 June 2026, notes the report."

CARRIED

COMMITTEE RESOLUTION 2026/49

Moved: Mr Rushbrook
Seconded: Ms Best

"that the Audit and Risk Committee, having considered item 7.8 – Independent Procurement Review, dated 3 June 2026:-

1. **Acknowledge the Chief Executive Officer's self-reporting to the Chair of the Audit and Risk Committee of concerns surrounding the procurement of the Payble software product and desire to have those processes externally reviewed.**
2. **Note the findings and conclusions drawn from independent review, undertaken by Morris Forensic, dated 27 May 2026.**
3. **Note that the administration is undertaking a review of its internal processes and procedures with a view of implementing improvements which align with the findings of the review.**
4. **Provide a report to the next committee meeting with a workplan to address the recommendations of the review."**

CARRIED

6 REPORTS FOR DECISION

6.1 UPDATE - AUDIT & RISK COMMITTEE ANNUAL WORKS PROGRAM 2025/2026

COMMITTEE RESOLUTION 2026/50

Moved: Mr Fairlie-Jones
Seconded: Mr Scargill

"that the Audit and Risk Committee, having considered Item 6.1 – *Update - Audit & Risk Committee Annual Works Program 2025/2026*, dated 3 June 2026, notes the report and in doing so recommends to Council that it acknowledge the progress made to complete the activities identified for Audit and Risk Committee during 2025/2026 Financial Year."

CARRIED

6.2 DRAFT 2026/2027 ANNUAL BUSINESS PLAN & BUDGET

COMMITTEE RESOLUTION 2026/51

Moved: Mr Rushbrook
Seconded: Mr Scargill

"that the Audit & Risk Committee suspend meeting procedures pursuant to regulation 20(1) of the *Local Government (Procedures at Meetings) Regulations 2013* for a period of time sufficient to facilitate informal discussions in relation to item 6.2 – Draft 2026/2027 Annual Business Plan & Budget."

CARRIED

The Chairperson suspended meeting procedures at 2:36pm.
The Chairperson resumed meeting procedures at 3:43pm.

The Chairperson sought leave of the meeting to adjourn for 5 minutes.
Leave was granted.

The Chairperson adjourned the meeting at 3:43pm.

Mr Fairlie-Jones left the meeting at 3:43pm.
Mr Fairlie-Jones returned to the meeting at 3:45pm.

Mr Scargill left the meeting at 3:45pm.
Mr Scargill returned to the meeting at 3:47pm.

The Chairperson resumed the meeting at 3:48pm.

COMMITTEE RESOLUTION 2026/52

Moved: Ms Best
Seconded: Mr Fairlie-Jones

"that the Audit and Risk Committee, having considered Item – *Draft 2026/2027 Annual Business Plan & Budget*, dated 3 June 2026 notes the report and the Draft 2026/2027 Annual Business Plan, Budget and Rating Policy, as contained in Attachment 1 to this report."

CARRIED

COMMITTEE RESOLUTION 2026/53

Moved: Mr Rushbrook
Seconded: Mr Scargill

"that the Audit and Risk Committee, having considered Item – *Draft 2026/2027 Annual Business Plan & Budget*, dated 3 June 2026, recommends that the Council consider comprehensive modelling on the proposed capping to enable Council to fully understand the short and long-term impact of a small value cap on general rates before it decides to continue the use of the rates capping proposed in the 2026/27 Annual Business plan. Should the modelling indicate significant impacts on the rating structure consideration be given to undertaking consultation with the community on the proposed changes."

CARRIED

COMMITTEE RESOLUTION 2026/54

Moved: Ms Best
Seconded: Mr Fairlie-Jones

"that the Audit and Risk Committee requests that future Draft Annual Business Plan & Budgets be presented to the committee prior to the adoption by the Council for public consultation."

CARRIED

6.3 REVIEW - AUDIT & RISK COMMITTEE TERMS OF REFERENCE

Mr Rushbrook, Fairlie-Jones, Scargill and Ms Best declared a general conflict of interest in relation to item 6.3 on the basis the Terms of Reference refer to sitting fees of members. Mr Rushbrook, Fairlie-Jones, Scargill and Ms Best declared they would remain in the meeting and vote on the matter ensuring to put aside any private interest in accordance with their role as an independent member.

COMMITTEE RESOLUTION 2026/55

Moved: Councillor Panella
Seconded: Mr Scargill

"that the Audit and Risk Committee, having considered Item 6.3 – *Review - Audit & Risk Committee Terms of Reference*, dated 3 June 2026, receives and notes the report and in doing so endorses the updated Audit and Risk Committee Terms of Reference and recommends to Council that the Audit and Risk Committee Terms of Reference, presented as Attachment 1 to this report be adopted, with the following changes:

1. **4.5 clarify member must be able to be seen and heard;**
2. **3.1 (a)i change 'the Mayor, and Deputy Mayor and CEO' to "a panel of two members and in addition the CEO;".**
3. **3.3 (b) change 'if the Mayor or Deputy Mayor' to 'if a Council Member';**
4. **5.2 (a) add to end 'unless Council appoints an internal auditor'."**

CARRIED

6.4 POLICY REVIEW - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT ACCOUNTING POLICY

COMMITTEE RESOLUTION 2026/56

Moved: Mr Scargill
Seconded: Ms Best

"that the Audit and Risk Committee, having considered Item 6.4 – *Policy Review - Infrastructure, Property, Plant & Equipment Accounting Policy*, dated 3 June 2026, receives and notes the report and in doing so recommends to the Council that the updated Infrastructure, Property, Plant & Equipment Accounting Policy as presented in Attachment 1 to this report be adopted subject to following change:

1. **Paragraph 3.1 change 'owned by' to 'owned or leased by'."**

CARRIED

6.5 POLICY REVIEW - FUNDING POLICY

COMMITTEE RESOLUTION 2026/57

Moved: Mr Fairlie-Jones
Seconded: Ms Best

"that the Audit and Risk Committee, having considered Item 6.5 – *Policy Review - Funding Policy*, dated 3 June 2026, receives and notes the report and in doing so recommends to the Council that the updated Funding Policy as presented in Attachment 1 to this report be adopted."

CARRIED

7 REPORTS FOR INFORMATION

7.1 COUNCILS STATE OF READINESS/COMPLIANCE FOR SECOND ESCOSA REVIEW

COMMITTEE RESOLUTION 2026/58

Moved: Ms Best
Seconded: Mr Fairlie-Jones

"that the Audit and Risk Committee, having considered Item 7.1 – *Councils State of Readiness/Compliance for second ESCOSA Review*, dated 3 June 2026, notes the report."

CARRIED

7.2 SELF-ASSESSMENT OF INTERNAL FINANCIAL CONTROLS

COMMITTEE RESOLUTION 2026/59

Moved: Mr Scargill
Seconded: Mr Fairlie-Jones

"that the Audit and Risk Committee, having considered Item 7.2 – *Self-Assessment of Internal Financial Controls*, dated 3 June 2026, notes the report."

CARRIED

Councillor Panella left the meeting at 4:40pm and did not return.

7.3 UPDATE - COMMITTEE RESOLUTIONS

COMMITTEE RESOLUTION 2026/60

Moved: Mr Fairlie-Jones
Seconded: Ms Best

"that the Audit and Risk Committee, having considered Item 7.3 – *Update - Committee Resolutions*, dated 3 June 2026, notes the report."

CARRIED

7.4 UPDATE OF THE INFRASTRUCTURE AND ASSETS MANAGEMENT PLAN AND LONG-TERM FINANCIAL PLAN

COMMITTEE RESOLUTION 2026/61

Moved: Ms Best
Seconded: Mr Fairlie-Jones

"that the Audit and Risk Committee, having considered Item 7.4 – *Update of the Infrastructure and Assets Management Plan and Long-Term Financial Plan*, dated 3 June 2026, notes the report."

CARRIED

7.5 2025/2026 THIRD BUDGET UPDATE

COMMITTEE RESOLUTION 2026/62

Moved: Mr Fairlie-Jones
Seconded: Mr Scargill

"that the Audit and Risk Committee, having considered Item 7.5 – *2025/2026 Third Budget Update*, dated 3 June 2026, receives and notes the report."

CARRIED

COMMITTEE RESOLUTION 2026/63

Moved: Ms Best
Seconded: Mr Fairlie-Jones

"that the meeting be extended by 30 minutes, concluding at 5:30pm, in accordance paragraph 14 *Code of Practice – Meeting Procedures.*"

CARRIED

Ms Best left the meeting at 5:02pm.

7.6 UPDATE - COUNCIL POLICY REVIEWS

COMMITTEE RESOLUTION 2026/64

Moved: Mr Scargill
Seconded: Mr Rushbrook

"that the Audit and Risk Committee, having considered Item 7.6 – *Update - Council Policy Reviews*, dated 3 June 2026, notes the report and requests a lists of policies and their renewal date at the next Committee Meeting."

Ms Best returned to the meeting at 5:03pm.

CARRIED

7.7 RISK MANAGEMENT UPDATE

COMMITTEE RESOLUTION 2026/65

Moved: Mr Rushbrook
Seconded: Mr Scargill

"that the Audit and Risk Committee, having considered Item 7.7 – *Risk Management Update*, dated 3 June 2026, notes the report and requests a timetable for completion of tasks based on available resources."

CARRIED

7.9 GAWLER RIVER FLOODPLAIN MANAGEMENT AUTHORITY - JUNE 2026 UPDATE

COMMITTEE RESOLUTION 2026/66

Moved: Mr Scargill
Seconded: Mr Fairlie-Jones

"that the Audit and Risk Committee, having considered Item 7.9 – *Gawler River Floodplain Management Authority - June 2026 Update*, dated 3 June 2026, notes the report."

CARRIED

8 QUESTIONS WITHOUT NOTICE

Nil

9 MOTIONS WITHOUT NOTICE

Nil

10 URGENT BUSINESS

Nil

11 CONFIDENTIAL ITEMS

11.1 COUNCIL AGED UNITS UPDATE - WALARA PROPOSAL

COMMITTEE RESOLUTION 2026/67

Moved: Mr Fairlie-Jones
Seconded: Ms Best

"that:

1. **Pursuant to section 90(2) of the *Local Government Act 1999*, the Audit and Risk Committee orders that all members of the public, except:**
   - **Chief Executive Officer;**
   - **Chief Financial Officer;**
   - **Director Infrastructure & Environment;**
   - **Acting Director Corporate Services;**
   - **Acting Manager Governance;**
   - **Acting Procurement Advisor; and**
   - **Acting Governance Administration Officer/Minute Taker;**

be excluded from attendance at the meeting of the Audit and Risk Committee for Item 11.1 Council Aged Units Update - Walara Proposal;

2. The Audit and Risk Committee is satisfied that pursuant to Section 90 (3) (b) of the Local Government Act 1999, Item 11.1 Council Aged Units Update - Walara Proposal concerns information of a confidential nature, discussed or considered in relation to this item is:

- **the disclosure of which would involve the unreasonable disclosure of information the disclosure of which could reasonably be expected to confer a commercial advantage on a person with whom Council is conducting, or proposing to conduct, business, or to prejudice the commercial position of Council and would, on balance, be contrary to the public interest., on the basis that it:**
    - **Would involve disclosure of a proposal by a third party with who Council is considering doing business with prior to any agreement.**

3. The Audit and Risk Committee is satisfied that the principle that Committee meetings should be conducted in a place open to the public has been outweighed by the need to keep the information, matter and discussion confidential."

CARRIED

The community was excluded from the meeting at 5:17pm.

COMMITTEE RESOLUTION 2026/68

Moved: Mr Fairlie-Jones
Seconded: Ms Best

"that the meeting be extended by 30 minutes, concluding at 6:00pm, in accordance with paragraph 14 of Council's Code of Practice – Meeting Procedures."

CARRIED

COMMITTEE RESOLUTION 2026/70

Moved: Mr Fairlie-Jones
Seconded: Ms Best

"that the Audit and Risk Committee, having considered the matter of Item 11.1 Council Aged Units Update - Walara Proposal, in confidence under section 90(3)(b) of the *Local Government Act 1999*, resolves:

1. **That:**
   - **the report;**
   - **attachment; and**
   - **minutes**

   pertaining to Item 11.1 Council Aged Units Update - Walara Proposal, remain confidential and not available for public inspection until further order of Council;
2. **Pursuant to section 91(9)(a) of the *Local Government Act 1999*, the confidentiality of the matter will be reviewed every 12 months; and**
3. **Pursuant to section 91(9)(c) of the *Local Government Act 1999*, Council delegates the power to revoke this confidentiality order to the Chief Executive Officer."**

CARRIED

The meeting re-opened to the community at 5:45pm.

12 NEXT MEETING

Wednesday, 5 August 2026 at 2:00pm.

13 CLOSURE

There being no further business, the Chairperson declared the meeting closed at 5:45pm.

Confirmed as a true record.

Chairperson:.....

Date: ____/____/____

4 BUSINESS ARISING

5 DECLARATION OF MEMBERS' INTEREST

6 REPORTS FOR DECISION

6.1 DRAFT - ASSET MANAGEMENT PLAN

Record Number: **D26/30646**

Author: **Director Infrastructure & Environment**

Authoriser: **Chief Executive Officer**

Attachments: **1. Draft Summary Asset Managment Plan ⇩**

EXECUTIVE SUMMARY

- The purpose of this report is to present the draft Summary Asset Management Plan (SAMP) to the Audit and Risk Committee for information and review.
- The SAMP is a key strategic management document required under section 122 of the *Local Government Act 1999*. It establishes the framework for the long-term management, renewal and development of Council's infrastructure assets while supporting financial sustainability and informed decision-making.
- Since formally commencing the review in August 2025, Council has undertaken a comprehensive review of its asset management framework. This has included updated asset condition assessments, lifecycle modelling, revised levels of service, strategic infrastructure planning and financial analysis across all major asset classes.
- Throughout the review, Council Members have been engaged through Infrastructure and Environment Committee meetings, Ordinary Council Meetings and Information/Briefing Sessions to consider proposed levels of service, strategic priorities and long-term infrastructure investment requirements.
- The review has resulted in the preparation of a draft 10-year capital works program, revised operational and maintenance forecasts, and an updated Summary Management Plan that aligns with Council's Strategic Plan 2025–2028 and will inform the development of the Long-Term Financial Plan.
- Council at its July 2026 Ordinary meeting resolved to undertake community consultation.
- Following the completion of public consultation, Council administration will consider all submissions received and present the final SAMP to Council for adoption, together with a summary of consultation outcomes and any recommended amendments.

RECOMMENDATION

“that the Audit and Risk Committee, having considered Item 6.1 – *Draft - Asset Management Plan*, dated 12 August 2026, notes the report and in doing so recommends to Council that...”

BUDGET IMPACT

Estimated Cost:	Nil (within existing operational budget)
Future ongoing operating costs:	The financial implications associated with the proposed levels of service, renewal programs and new asset investment will be incorporated into Council's Long-Term Financial Plan and future Annual Business Plans and Budgets.
Is this Budgeted?	Yes

RISK ASSESSMENT

Council is responsible for managing infrastructure assets with a replacement value of approximately $184 million. Failure to maintain a current SAMP increases the risk of:

- under investment in asset renewal;
- deterioration of critical infrastructure;
- declining levels of service;
- poor investment prioritisation;
- increased whole-of-life asset costs;
- financial sustainability challenges; and
- non-compliance with legislative requirements.

The review undertaken over the past 12 months substantially reduces these risks by establishing agreed levels of service, updated asset information and long-term financial forecasts to guide future decision making.

DETAILED REPORT

Purpose

The purpose of this report is to present the draft Summary Asset Management Plan (SAMP) to the Audit and Risk Committee (the Committee) for information and review.

Background

Section 122 of the *Local Government Act 1999* requires Council to prepare and maintain a SAMP that identifies the management and development of infrastructure and major assets over a minimum 10-year period.

Council's existing Asset Management Plans were adopted in 2021 and have been subject to annual financial updates. Following the adoption of the Strategic Plan 2025–2028, Council administration commenced a comprehensive review of Council's asset management framework to ensure alignment with Council's strategic objectives, updated asset information and future growth requirements.

The review formally commenced following consideration by the Infrastructure and Environment Committee in August 2025, which recommended Council commence the review process.

Since that time Council administration has:

- completed detailed asset inspections and condition assessments;
- updated Council's asset inventory;
- reviewed lifecycle modelling;
- developed revised renewal forecasts;
- undertaken financial modelling;
- reviewed current and proposed levels of service;
- identified strategic growth infrastructure requirements; and
- undertaken multiple Elected Member workshops and committee reviews.

The Committee has also received progress updates and emphasised the importance of finalising both the SAMP and Long-Term Financial Plan to strengthen Council's long-term financial sustainability.

Discussion

The review represents the most comprehensive update of Council's asset management framework since 2021.

The review has included all major infrastructure classes including:

- Transport;
- Buildings and Land;
- Open Space;
- Stormwater; and
- Community Wastewater Management System (CWMS)

A key outcome of the review has been the establishment of revised community and technical levels of service across each asset class. These service levels will provide the basis for future operational, maintenance and renewal programs while balancing community expectations with long-term financial sustainability.

The review has also strengthened alignment between infrastructure investment and Council's Strategic Plan 2025–2028 by identifying strategic infrastructure projects including:

- Two Wells Oval redevelopment;
- Community and Civic Hub;
- Salt Creek Restoration Middle Beach; and
- State funded Construct and Seal Projects (The Esplanade - Thompson Beach and The Esplanade - Parham)

Following feedback from Council Member Information/Briefing Sessions and the Infrastructure and Environment Committee, Council administration has prepared a draft 10-year capital program identifying approximately **$84.4 million** of capital investment together with associated operating and maintenance expenditure required to sustain Council's desired levels of service.

The SAMP has been prepared to directly inform the review of Council's Long-Term Financial Plan and future Annual Business Plans.

The draft document is now sufficiently developed and has been released for community consultation.

Community Engagement

The review of Council's Infrastructure and Asset Management Plans has included extensive engagement with Council Members through committee meetings and information/briefing sessions.

Council at its 15 July 2026 Ordinary Council Meeting resolved to undertake community consultation. Following completion of consultation, all submissions will be reviewed and any recommended amendments incorporated into the final SAMP before it is presented to Council for adoption.

Financial Implications

The SAMP is the primary document informing Council's Long-Term Financial Plan.

The draft identifies:

- approximately $84.4 million in capital expenditure over 10 years;
- increased operational and maintenance expenditure associated with agreed service levels;
- future renewal funding requirements to maintain Council's asset base; and
- forecast donated assets arising from growth and development, together with the associated future operating, maintenance and renewal costs.

The financial impacts will be incorporated into the updated Long-Term Financial Plan following adoption of the SAMP.

Conclusion

Over the past 12 months Council has undertaken a comprehensive review of its asset management framework, incorporating updated asset information, revised levels of service, lifecycle modelling, strategic infrastructure priorities and long-term financial forecasts.
The draft SAMP now provides a current framework for managing Council's infrastructure assets while supporting sustainable service delivery and financial sustainability.

References

Legislation
Local Government Act 1999

Council Policies/Plans
Asset Management Policy
Infrastructure and Asset Management Plan
Long Term Financial Plan 2023-2024
Strategic Plan 2025-2028
Public Consultation Policy

Summary Asset Management Plan

Adelaide Plains Council

250912.00R001Rev0



Document Control

Rev No	Date	Revision Details	Author	Reviewer	Approver
0	July 2026	Issue to Client	TJ/KD	LB	TJ

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Background

To ensure appropriate infrastructure and services are in place for current and future generations, Adelaide Plains Council (Council) is required by Section 122 of the *Local Government Act 1999* to develop and adopt Asset Management Plans (AMPs) to guide management and investment decisions.

Council's AMP documentation comprises detailed AMPs for transport, stormwater, community wastewater management systems (CWMS), buildings & structures and open space. These detailed AMPs were completed in 2021, and updates are scheduled for financial year 2026-27. This Summary AMP reflects updated forecasts and has been developed using the best available information to inform a sustainable renewal program for all asset types based on agreed service levels, and are guided by Council's Infrastructure, Property, Plant & Equipment Accounting Policy and Asset Management Policy.

Council also manages a comprehensive plant & equipment fleet, and an extensive furniture & fittings asset base which are not included within this Summary AMP. It is intended that future updates to Councils AMPs will include these asset types.

Council is faced with challenges of increasing costs across the construction industry and has an extensive and growing infrastructure asset portfolio that is funded from a proportionally small population and rate base.

Purpose

The purpose of this Summary AMP is to:

- Demonstrate the responsible management of assets (and services provided from assets)
- Communicate the scale of infrastructure investment required to sustainably deliver affordable services for the community in the foreseeable future
- Consolidate and update the outputs of the detailed AMPs previously developed.

For the purposes of community consultation, this Summary AMP provides an overview of the infrastructure assets, their performance, and the actions required to help achieve the strategic objectives outlined in Council's *Strategic Plan 2025-2028*. Council's vision, formed following extensive engagement, identified the community's aspirations for the future of Council.

Any trade-offs on performance, cost, and risk will be reviewed as part of ongoing consultation and engagement with the community. Where risks are considered high, appropriate assessment and control measures will be employed to ensure exposure is minimised as much as possible.

The Summary AMP provides Council's overarching framework for informed decision making, resource allocation, risk management, and the sustainable management of infrastructure assets throughout their lifecycle. It establishes a strategic and adaptable approach to ensuring that Council's assets continue to support service delivery and meet community needs both now and into the future.

The preparation of this Summary AMP represents an important opportunity for Council to align asset management practices with its strategic objectives, ensuring that infrastructure assets are planned, maintained, renewed, and funded in a manner that delivers sustainable and cost-effective services to the community over the short, medium, and long term.

This plan forms a key component of Council's broader strategic planning framework and should be read in conjunction with Council's Asset Management Policy, AMPs, Annual Business Plan and Budget, and Long Term Financial Plan (LTFP).

The key principles in guiding successful asset management practices at Council are:

- Data driven decision making - decisions on asset funding are informed through asset data - including condition assessments, and agreed service levels
- Lifecycle approach - decisions must also incorporate a whole of life approach to managing assets, inclusive of acquisition, operating, maintaining, renewal, upgrading and disposal
- Integration and balance - asset management, being part of Council's broader strategic framework, must look to balance the technical, financial and community needs through the integration of Council's strategies and policies
- Accountability - understanding and assessing clear points of responsibility and custodianship for the delivery and assessment of each key performance indicator for the management of Council assets
- Sustainability - the long-term financial sustainability of Council should guide and influence all decisions
- Risk-based decision making – asset management decisions will be informed by an assessment of risk, balancing community expectations, legislative obligations, service outcomes and financial sustainability.

The Approach

Council's goal in managing infrastructure assets is to meet the required level of service in the most cost-effective manner.

The AMPs incorporate Council's asset management policy and strategy by incorporating a whole of lifecycle approach to forecast the outlays required to deliver the strategic objectives outlined in Council's Strategic Plan.

Forecast operating, maintenance, and capital renewal forecast outlays are based on sustaining current service levels.

Meeting the demands of growth and changing circumstances are managed through the careful consideration of new projects and programs including the adoption of emerging technologies. A detailed and costed long term upgrade plan for Council infrastructure is a key focus at Council as it is a high growth region. The combined lifecycle costs will be balanced with the funds made available in the 10-year LTFP to ensure services are provided at an affordable level.

All costs in this document are presented net of inflation as of 30 June 2025.

Our Asset Management System

The Asset Management System (AMS) is a collection of documents, processes, people and procedures used to manage infrastructure assets throughout their lifecycle to deliver agreed levels of service in a financially sustainable manner. Council's AMS includes:

- Asset Management Policy - An overarching, high level document that assists Council meet the governance, quality, and strategic visions and needs
- Strategic Asset Management Plan -This sets the direction and prioritisation of asset management practices. It also provides a high-level summary of current and aspirational practices. Importantly, it links organisational objectives to asset management objectives. It is intended to create the Strategic Asset Management Plan in FY 2026-27
- Asset information and data systems including Conquest - asset registers, condition assessment data and asset financial reporting. ESRI – spatial asset location and mapping
- Asset Management Plans – This Summary AMP and the accompanying AMP for each asset class are technical planning documents which outline agreed standards of service. These plans communicate the actions required for the responsible management of assets. Detailing the services provided from the assets, required compliance with regulatory requirements, and the funding needed to provide the required levels of service over a 10-year planning period.

The Assets and Services we provide

Community values, stakeholder expectations and sustaining services at an affordable level are high on the agenda for ratepayers and members of the community. Council provides a wide range of services to meet the needs of the community, that require appropriate and well maintained infrastructure assets.

Assets are critical to supporting the community's desired lifestyle in a sustainable manner for current and future generations. This Summary AMP describes Council's approach to managing the assets under its care and control. It provides a high-level overview of Council's approach to managing five key asset classes:

- Transport - including sealed and unsealed roads, kerbs, footpaths, bridges, car parks and public lighting
- Stormwater - including stormwater pits, pipes, culverts, gross pollutant traps (GPT), water sensitive urban design (WSUD), wetlands and detention basins
- Recreation - including sporting and open spaces, playgrounds, ovals, playing surfaces, shelters and BBQ's
- Buildings - including library, civic spaces, community halls, sport and recreation
- CWMS - including the Mallala CWMS and Middle Beach CWMS systems.

Plant & Equipment and Furniture & Fittings are not considered as part of this Summary AMP.



A typical Council rural unsealed road asset being resheeted.

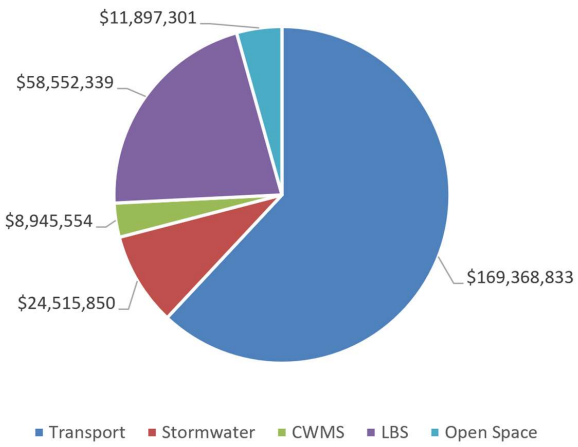
The total replacement cost of the valued assets supporting these services is estimated at $273.28M as of 1 July 2025. Based on the estimated useful life of the assets, they are being consumed (depreciated) at $4.17M per year. As of the 1 July 2025 $58.7M of Council's assets have been consumed, leaving a written down value (or remaining value) of $172.36M.

The list of Council infrastructure assets covered by this plan are shown in and Table 1 and Figure 1.

Table 1: Summary of Council Assets – 1 July 2025

Asset Type	Quantity / Dimension	Replacement Value	Annual Depreciation	10 Year Renewal Forecast
Sealed Roads	216.6km	$116.67M	$2.73M	$12.83M
Sheeted Roads	517.3km	$20.41M		
Formed Graded / Unformed & Road Reserves	259.3km	$0.00		
Footpaths / Shared Paths	43.9km	$11.22M		
Kerbing	96.0km	$15.48M		
Bridges	4	$5.36M	$54k	$0
Stormwater Drains	36.9km	$19.45M	$277k	$107k
Stormwater Nodes	1,321	$42.46M		
SW Pumpstation Assets	24	$818k		
CWMS Treatment Plant Assets	178	$2.52M	$204k	$831k
CWMS Pump Station Assets	186	$1.28M		
CWMS Pipes	19.8km	$4.40M		
CWMS Nodes	453	$741k		
Land	181	$36.75M	$0	$0
Buildings – Non Complex	52	$4.41M	$432k	$291k
Buildings Complex	19	$17.40M		
Open Space Assets	425	$11.90M	$525k	$3.13M

Figure 1: Asset Value by Category - 1 July 2025



Levels of Service

Council is committed to providing infrastructure assets that support the needs of the community, enable economic development, and deliver services that are safe, reliable, and sustainable both now and into the future.

A key component of establishing levels of service is Council's asset hierarchy framework. Asset hierarchies classify assets based on factors such as their function, importance, criticality, and utilisation. This framework supports informed decision-making by guiding the allocation of resources and investment across Council's asset portfolio. Assets with higher strategic importance or utilisation generally require higher service standards and investment levels than assets with lower usage or community benefit. A clear example of this approach can be seen within the road network, where service expectations for major connector roads differ from those applied to local access roads.

Council recognises the importance of clearly defining service expectations and measuring performance to ensure assets continue to meet community needs. Levels of service are generally categorised into customer levels of service and technical levels of service.

Council also recognises that service levels must be affordable, achievable, and financially sustainable. Community expectations are balanced against available resources, legislative requirements, risk considerations, and Council's long-term financial capacity.

Customer Levels of Service

Customer levels of service reflect how the community experiences the services provided by Council's assets and focus on:

- Quality – How well the service meets community expectations
- Function – Whether the asset is fit for purpose and delivers the intended service
- Capacity and Accessibility – Whether the asset provides sufficient capacity and access to meet current and future community needs.

Council monitors customer levels of service through community engagement activities, customer requests, service enquiries, township planning processes, and community satisfaction surveys. These processes help Council understand community priorities and support equitable access to infrastructure and services across the Adelaide Plains region.

Technical Levels of Service

Technical levels of service are the operational and asset management measures used to support the delivery of customer service levels. They relate to the way assets are operated, maintained, renewed, and upgraded throughout their lifecycle.

Technical service levels are informed by legislative requirements, industry standards, risk assessments, operational practices, and asset management objectives. Examples include road maintenance intervention levels, inspection frequencies, stormwater system performance requirements, and statutory testing requirements for building services and safety systems.

As part of Council's ongoing asset management maturity journey, customer and technical levels of service will continue to be refined, documented, monitored, and incorporated into Council's Asset Management System to support infrastructure decision-making and continuous improvement.

Infrastructure Asset Performance

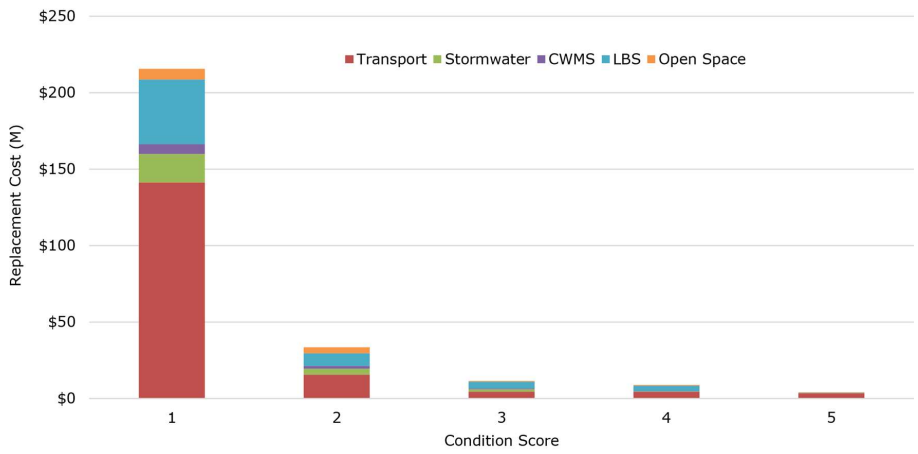
For this Summary AMP, condition is reported using a 1 – 5 grading system[1] as detailed in the table below. It is important that a consistent approach is used in reporting asset condition and performance enabling effective decision support. A finer grading system is used at a more specific level, however, for reporting in the Summary AMP results are translated to a 1 – 5 grading scale for ease of communication.

Condition Grading	Description of Condition
1	**Very Good**: free of defects, only planned and/or routine maintenance required
2	**Good**: minor defects, increasing maintenance required plus planned maintenance
3	**Fair**: defects requiring regular and/or significant maintenance to reinstate service
4	**Poor**: significant defects, higher order cost intervention likely
5	**Very Poor**: physically unsound and/or beyond rehabilitation, immediate action required

The infrastructure assets supporting these services are generally in good condition and operate at a high standard as shown in Figure 1 below. However, approximately $4.22M of the infrastructure assets are below the desired performance levels - Condition 5. The estimated replacement cost of these Condition 5 assets in each category is:

- Transport $3.65M
- Stormwater $190k
- CWMS $22k
- Buildings $135k
- Open Space $223k

Figure 1: Summary Asset Condition Profile



[1] Institute of Public Works Engineering Australasia (IPWEA), 2015, International Infrastructure Management Manual (IIMM), Sec 2.5.4, p 2|80.



Open space assets at Freedom Park – Liberty Estate.

Future Demand

The assets included in this plan are subject to a range of demand and capacity issues that will impact the future funding necessary to maintain existing service levels or to achieve desired service levels where they are not currently being met. Adelaide Plains Council has experienced significant population growth in recent years. Council had an average annual dwelling build rate of 105 per year, for the period of 2015 – 2024. This equates to on average, an extra 280 residents per annum (using the ABS occupancy rate of 2.67 per dwelling), being almost 1 extra person a day calling Adelaide Plains home.

This growth is set to continue with the district population in the Greater Adelaide Regional Plan projected (high series) to be 19,955 in 2041, for reference in 2021 Council had a population of 9,975.

This growth has resulted in and will continue to require Council to build, maintain and upgrade infrastructure to keep pace with requirements.

These population changes and associated developments have significant implications for the demand for services and the assets required to deliver those services and Council continues to plan for them now. Some of the major drivers of demand are:

- Population growth and expansion of townships, particularly within the Two Wells growth area and associated development fronts, continues to increase demand for transport, stormwater, open space, recreation and community infrastructure. This growth will require Council to carefully manage both the acquisition of new assets and the long-term operational, maintenance and renewal costs associated with those assets. Most population growth will be in new developments which means Council is acquiring new assets with new and additional asset management needs. Since 2019-20 Council has acquired $28.8M of assets donated by developers and this is forecast to continue:

Table 2: Donated Asset History

2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
$5.3M	$5.4M	$4.7M	$3.7M	$4.5M	$5.2M

- A changing climate is influencing how Council plans, designs, constructs and manages infrastructure assets. Increasing temperatures, more intense storm events, prolonged dry periods and coastal impacts have the potential to affect asset performance, service levels and useful lives
- Higher density developments will lead to more impervious areas generating higher runoffs which may place demands on stormwater drainage infrastructure
- Changing community expectations will influence service level requirements; especially with new residents expecting similar service levels to metropolitan Adelaide, including stormwater, all-season road access, recreation, sporting and open space facilities, footpaths
- Increasing environmental awareness and concern in the community may result in changes to maintenance requirements and practices
- Additional development may create environmental impacts such as more sediment and other pollutants in stormwater run-off
- There will be an increasing number of people who are remaining in our community as they age potentially leading to additional DDA and accessibility upgrades across Council assets
- Increasing populations of new families with younger children will drive increased demand for developmental and age-appropriate activities e.g. playgrounds and recreation spaces and social facilities.

The impact on service delivery will be managed through a combination of managing and upgrading existing assets and providing new assets to meet demand. Demand management practices can include non-asset solutions, insuring against risks and managing failures.

Opportunities identified to date for demand management are shown below in Table 3. Further opportunities will be developed in future revisions of this AM Plan and will include consideration for construction of climate resilient infrastructure.

Table 3: Demand Management Plan

Asset Class	Demand Driver	Demand Management Plan
Transport	Growth in population leading to greater pressure on existing transport assets and requiring upgrades. Increased heavy vehicles, requiring capacity upgrade. Demand for additional walking and cycling infrastructure.	Council requires a transport strategy which will establishes the overarching principles for transport planning and traffic management throughout the Adelaide Plains district in the coming years. The six core themes identified as key in managing the transport networks are: Road Safety, Active Transport, Technology and Innovation, Public Transport, Road Network Management and Parking.
Stormwater	Increased urbanisation/housing density leading to greater volumes of runoff.	Stormwater Management Plans (SMP) and surface drainage studies determine and inform future investment on stormwater infrastructure that will be impacted by growth and climate change. CCTV investigations of some stormwater pipes to ensure condition and performance requirements are met.
Buildings	Increased demand and expectations from the community through population growth, demographic changes and social expectations.	Further research on the drivers for future investment including increased understanding of the user base, activities, functions, and asset utilisation.

Asset Class	Demand Driver	Demand Management Plan
Recreation, Sporting and Open Space	Growth in population leading to increased usage of recreational infrastructure. Additional open space included as part of the construction of new housing developments. Increased demand by the community.	Planning for future needs by constructing new recreational assets in keeping with population growth. Operational and maintenance budget projections need to accommodate this increase in the assets base. Council requires an Open Space Strategy which will determine priority and provision of recreation and open space services, and the resulting operations and maintenance requirements.

Lifecycle Management - What does it Cost?

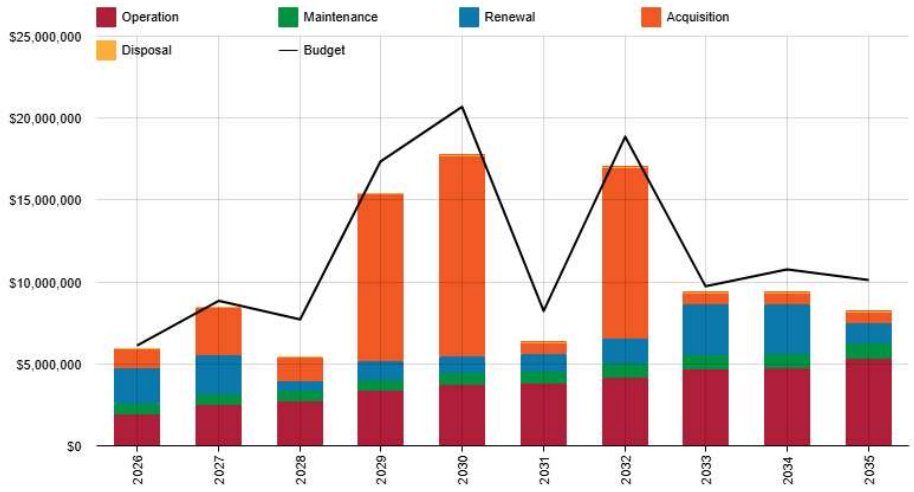
The lifecycle management plan details how Adelaide Plains Council plans to manage and operate its assets at the agreed levels of service throughout their entire lifecycle, from acquisition or creation to disposal. The goal is to maximise the value of the assets while minimising costs and risks, ensuring they continue to meet performance requirements over time.

From a financial perspective, infrastructure activities tend to be classified as being either Operating (operations, maintenance and disposal) or Capital (acquisition/upgrade and renewal). The lifecycle activities used in the asset management and financial planning and reporting process cover:

- Acquisition, new asset expenditure that creates an asset that did not previously exist or works which will upgrade or improve an existing asset beyond its original service level. This may result from growth, demand, social or environmental needs. Assets may also be donated to the Council from development.
  - Acquisition - Donated: Adelaide Plains Council continues to experience significant population growth. New urban areas are developed by private investors who are responsible for the creation of new assets to service their developments, including roads, footpaths, drains and drainage basins (i.e. wetlands), lighting, water supply, parks and more. Council both reviews the submitted plans from developers and oversees works to ensure the developments are constructed to Council standards. On completion of the works, many of these assets are then gifted to Council who then assumes responsibility for ongoing operations, maintenance, renewal and annual depreciation
  - Acquisition - Constructed: Works that create a new asset for providing services or that increase the service level that the asset provides to the community. These new and upgraded assets create additional requirement for operations and maintenance that must be planned and budgeted for regardless of whether Council pays for the build or acquires it via some other means e.g. fully grant funded
- Renewal, major capital work which does not significantly alter the original service provided by the asset, but restores, rehabilitates, replaces or renews an existing asset to its original service potential
- Operations, regular activities to provide services including drain cleaning, weed management, asset inspection, and utility costs
- Maintenance, all actions necessary for retaining an asset as near as practicable to an appropriate service condition including regular ongoing day-to-day work necessary to keep assets in service. Examples of typical maintenance activities include pump repairs, pipe and culvert repair, crack sealing, and minor electrical component replacements
- Disposal, any activity associated with the disposal of a decommissioned asset including sale, demolition or relocation. There are no forecast disposals within the 10-year planning period.

The forecast lifecycle expenditure required over the next 10 years to deliver on the strategic objectives is estimated to be $116.97M (2025 Costs – no indexation applied) and is shown in Figure 2.

Figure 2: Summary Forecast Lifecycle Costs



Maximising service delivery from Council's assets is its primary focus. Without timely maintenance and capital investment being undertaken when needed, a decline in service levels and increases in lifecycle costs and risks are likely to occur.

Lifecycle forecasts for each of the 5 main asset classes are provided in Appendix A.

Current renewal budgets, in particular for transport assets are significantly higher than forecast renewal requirements. There is a $13.4M surplus for transport assets over the 10 year planning period. A service level review is planned to be undertaken within the next 12 months to optimise the renewal forecast in line with agreed service levels and inform the LTFP.

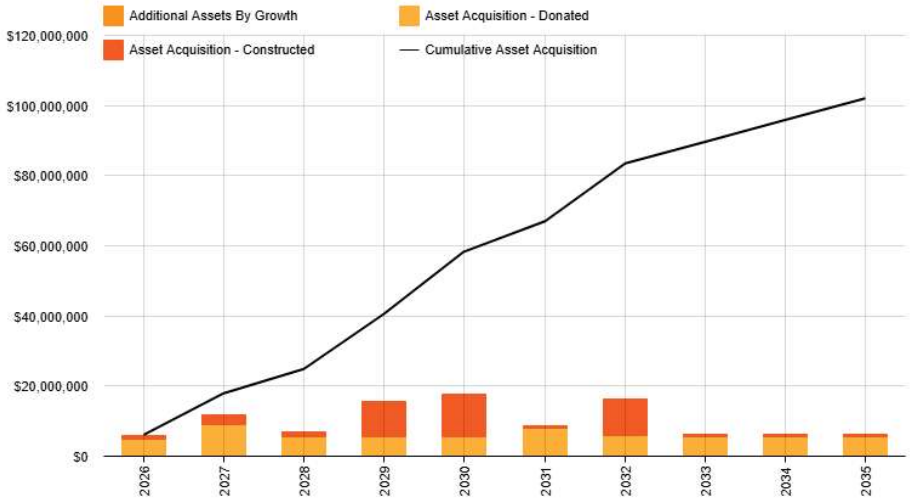
Providing financially sustainable and affordable services from infrastructure requires the careful management of service levels, costs and risks. There are two key indicators of sustainable service delivery that are considered in the AM Plan for this service area. The two key indicators are the Asset Renewal Funding Ratio (ARFR) and the Lifecycle Funding Ratio (LFR) – Typical targets for these ratios are between 90% to 110%

- ARFR - planned renewal budget / forecast renewal costs from the AM Plan – 190%
- LFR - planned lifecycle budget / forecast lifecycle costs from the AM Plan – 115%.

Adelaide Plains Council is a growth district, in addition to the growing needs for construction of new and upgraded assets shown in Figure 2 – e.g. the Two Wells Oval $20M and the Civic and Hub Development $10M, Council also expects to receive approximately $61M of donated assets from private developments over the next 10 years.

The growth in asset base will drive increasing costs for renewal, maintenance & operations - allowances have been made for these in this Summary AMP. There will also be a corresponding increase in annual depreciation which will be identified in the LTFP. The cumulative donated and constructed new assets are shown in Figure 3 below.

Figure 3: Donated and Constructed new assets



Informing the LTFP

Council is currently developing an updated LTFP that will be informed by the forecast costs in the AMPs and other strategic documents such as the SMP.

A review of the LTFP when developed will indicate the level of available funding for delivering the forecast asset works and services. The gap between the forecast and the budget will be the basis of the discussion on achieving the correct balance between costs, service levels and risk, to deliver the best value outcome for the community.

Engagement with community ensures we focus on providing services in line with community needs and expectations. We will do this by:

- Operating, maintaining, replacing, and upgrading of assets to meet the service levels set in each of the detailed AMPs - transport, stormwater, CWMS, land buildings & structures and open space
- Communicating the service, cost and risk trade-offs of delivering affordable service levels through updates of the AMPs and the Annual Business Plan.

Initial reviews of the preliminary LTFP figures have indicated that the expenditure required by the AMPs and summarised in this document is affordable with significant surplus budget for transport renewal but needs to be carefully considered in line with the proposed service level review.

When the LTFP is developed, the cost of priority works and services that are deferred or that cannot be provided (if any) in the first 10-years of the asset planning period can be determined and will be highlighted.

The annual budget process may consider prioritisation of specific asset renewals that are out of sync with the forecast in the AMPs for that corresponding year, but it is intended that overall renewals will be in line with forecasts over the 10 year period and meet Council's ARFR target.



The Two Wells levee under construction.

Managing the Risks

There are risks associated with providing any service and we have identified the major risks as:

- Increasing contractor and material costs for maintenance and capital works
- Long term grant funding availability
- Staff retention
- Environmental impacts of increasing temperatures, rainfall event frequency and intensity
- Management of a growing infrastructure asset base.

Council will endeavour to manage these risks within available funding limits by:

- Increasing maintenance and renewal budget allocations
- Optimising and growing operations and maintenance staff resources
- Lobbying state and federal governments for ongoing and increased grant funding
- Developing staff engagement and retention plans
- Ongoing improvement of asset management system including Plant & Equipment
- Progressing proactive inspection and maintenance plans
- Prioritising funding for critical infrastructure.

Subject to outcomes of the above it may still be necessary to spend more on managing particular assets to maintain services in future. This will be closely monitored over time, and outcomes will be reported in future plan updates.



A typical Council building asset.

The Next Steps

The medium to long term outlook suggests that priorities should remain focused on ensuring operations, maintenance and replacement of existing assets remain at sustainable levels whilst monitoring and responding to demand and growth challenges as they occur.

Adelaide Plains Council is committed to the continuous improvement of its asset management practices to support informed decision-making, sustainable service delivery, and long-term financial sustainability. Asset management maturity assessments will be periodically undertaken to identify opportunities to improve asset data quality, condition assessment practices, lifecycle forecasting, risk management, and the integration of asset management planning with Council's LTFP.

The following improvement actions have been identified through the development of this Summary AMP and will support Council in progressing its asset management maturity and achieving alignment between strategic planning, service delivery, and financial sustainability objectives.

Task	Improvement Plan
1	Asset hierarchy and service planning review – Review and refine Council's asset registers and asset hierarchy to support the development of appropriate levels of service, investment priorities, and renewal strategies. This work will align with Councils Integrated Transport Plan, Property Strategy, Open Space Strategy, SMPs, and other relevant strategic documents.
2	Asset acceptance framework – Develop and formalise a framework to guide the assessment and acceptance of gifted and developer-constructed assets. The framework will include lifecycle cost assessments, maintenance implications, and compliance requirements to help ensure long-term financial sustainability.
3	Levels of service review – Establish and document measurable customer and technical levels of service across all major asset classes. This will provide a clear link between community expectations, asset performance, risk management, and future investment decisions.
4	Risk management integration – Integrate asset-specific risk registers and critical asset assessments into Council's corporate risk management framework to improve strategic decision making and ensure asset related risks are effectively monitored and managed.

Task	Improvement Plan
5	Asset data improvement program – Implement a structured program to improve the quality, consistency, and completeness of asset condition, performance, utilisation, and valuation data across all major asset classes, enabling more robust lifecycle modelling and investment planning.
6	Plant, equipment and furniture review – Undertake a comprehensive review of Council's plant, equipment, and furniture asset registers, which were outside the scope of this Summary AMP. This review will include a reconciliation and data quality assessment within Conquest, together with a review of the Plant Replacement Policy to ensure alignment between asset management practices, operational requirements, and funding provisions.
8	Transport service levels and renewal program review – Review transport asset service levels and renewal intervention standards to ensure alignment between asset condition, community expectations, and available funding. The 2026-27 and 2027-28 Transport renewal programs and LTFP have been developed to support Council's desired levels of service; however, future renewal programs will be progressively refined and prioritised based on updated asset condition data, lifecycle modelling, and ongoing service level reviews.
9	Develop the Strategic AMP, setting the direction and prioritisation of asset management practices and providing a high-level summary of current and aspirational practices linking Councils strategic objectives and asset management objectives.

This improvement plan will be reviewed annually as part of Council's asset management and financial planning processes to monitor progress, prioritise actions, and support ongoing maturity improvements across the organisation.

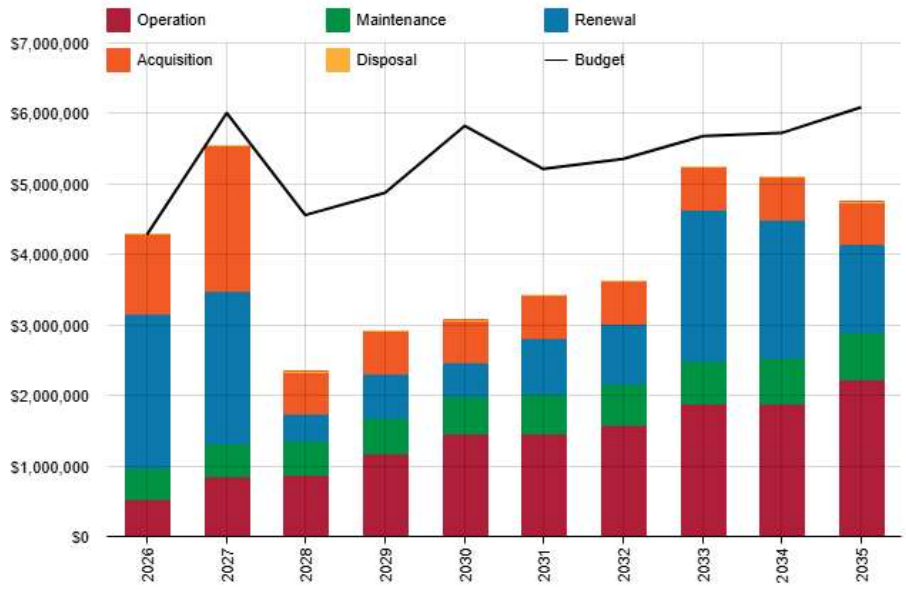
Appendix A – Asset Class Lifecycle models

Transport

The transport network includes both urban assets within the townships and the rural assets outside the townships. The main components within the transport asset class are sealed roads, unsealed roads, traffic control devices, footpaths, kerbs, lighting, carparks, bridges and major culverts. The road network within the Adelaide Plains district comprises arterial roads, sub-arterial roads, collector roads, local roads and local access roads. Arterial roads are generally under the care and control of the Department of Infrastructure and Transport (DIT); however, Council is responsible for kerb management on these roads. Roads are also classified by surface type, sealed and unsealed. The hierarchy level applicable for bridges and major culverts generally follows the standard of the road on which the structure is built. In addition, these structures need to have consideration for the waterway that they are built across with larger bridges required on major streams and typically culverts on smaller waterways.

Current renewal budgets for transport assets are significantly higher than forecast renewal requirements as shown in the graph below. There is a $13.4M surplus for transport assets over the 10-year planning period. A service level review is planned to be undertaken within the next 12 months to optimise the renewal forecast in line with agreed service levels and inform the LTFP.

Summary Forecast Lifecycle Costs - Transport

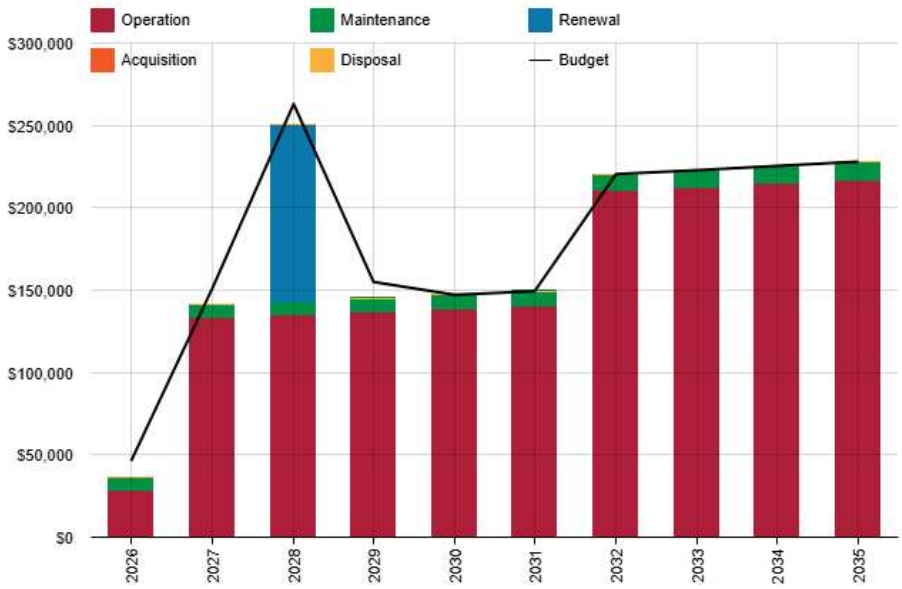


Stormwater

The stormwater assets provide a means to drain rainfall run off into creeks, prevent flooding and intercept waste to minimise pollution. The stormwater drainage network includes underground pipes, open drains, pits, water urban sensitive design (WUSD), detention basins, wetlands and drainage structures including gross pollutant traps and retention basins. Wetlands play an important part in retaining water resources while also maintaining and enhancing the natural environment and serving as an important public amenity for the local community. The hierarchy level applicable for stormwater assets generally follows the standard of the road on which the asset is constructed. The assets are further classified as major or minor depending on the required flow capacity based on the catchment area served at any point in the network and tends to increase downstream within each catchment. Current key activities include:

- Completing a desilting program for stormwater basins
- Side entry pit cleaning
- Pipe flushing
- Gross Pollutant Trap (GPT) cleaning
- Street sweeping etc.

Summary Forecast Lifecycle Costs - Stormwater

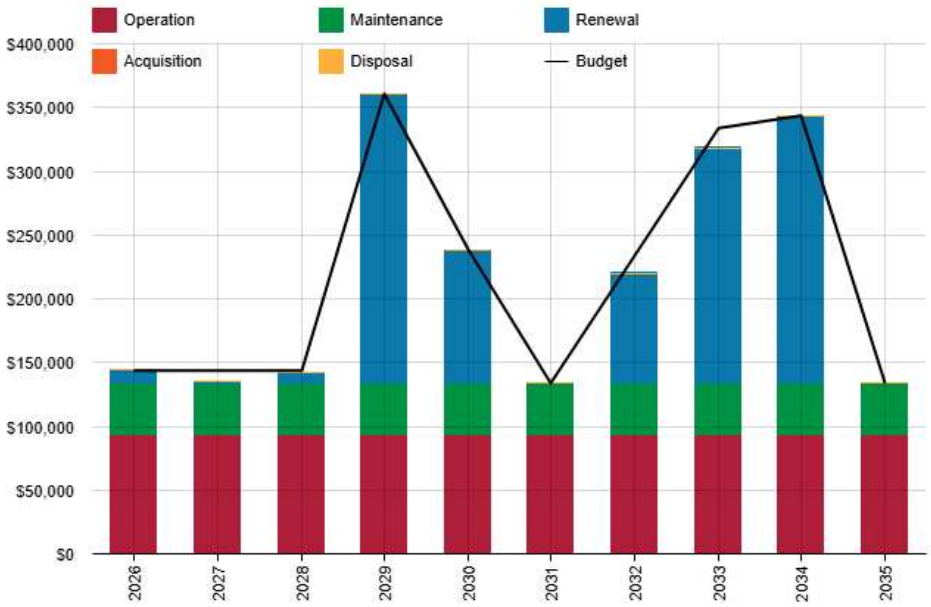


Community Wastewater Management System

CMWS is a system designed to collect, treat, re-use and/or dispose of primary treated effluent from septic tanks on individual properties. Council as the manager of CMWS assets, is responsible for the operation, maintenance, upgrading and renewal of the existing systems within the Council area – These are located at Mallala and Middle Beach. Current key activities include:

- Treatment plant operations
- Treatment plant and pump station inspections
- Septic tank pump outs
- Regulatory monitoring and reporting
- Pipe flushing

Summary Forecast Lifecycle Costs – CWMS

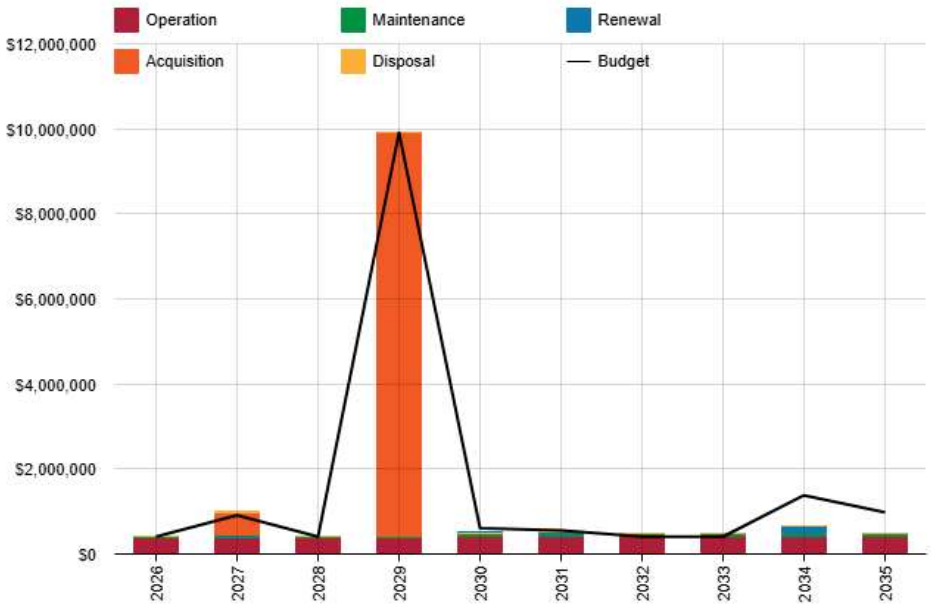


Land Buildings and Structures

Buildings provide a safe space for the community to participate in various activities all year round. This asset class primarily includes habitable buildings as well as several other structures such as shelters and sheds. We recognise that buildings play an important role in the community. A number of Council buildings have heritage value, and Council has a commitment to preserve the built heritage of the district for the community's benefit. Some building assets such as community halls are operated under a license agreement. Responsibility for the renewal and maintenance of assets is specified within these agreements. The current key activities include:

- Cleaning
- Painting
- Security
- Fire safety management
- Gutter cleaning.

Summary Forecast Lifecycle Costs – LBS



Notes on Major Upgrade expenditure:

Community and Civic Hub Development project - $10M

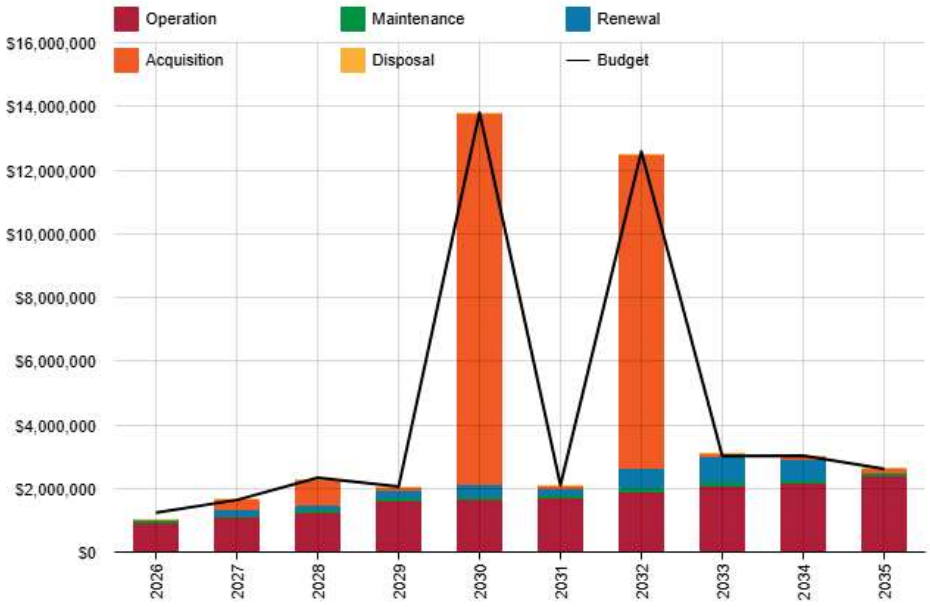
- 2027-28 $500k Detailed design
- 2029-30 $9.5M Construction

Recreation and Open Space

Recreation and Open Space assets provide locations and facilities for various passive and active uses. They have been classified into groupings from Regional through to Local in order of utilisation and importance to the community. Open Space assets are further classified by type and include sporting facilities and recreation parks through to landscaped areas. This asset class includes playgrounds, parks, ovals and playing fields. Some recreational assets such as community ovals and playing surfaces are operated under a license agreement with an incorporated body e.g. recreation grounds committee. Responsibility for the renewal and maintenance of assets is specified within these agreements. The current key activities include:

- Increased inspections of playgrounds and play equipment
- Mowing
- Weed control
- Litter removal
- Pruning
- Cleaning
- Waste removal etc.

Summary Forecast Lifecycle Costs – Open Space



Notes on Major Upgrade expenditure:

Two Wells Oval Development project - $20M

- 2028-29 $500k Detailed design
- 2030-31 $9.75M Construction Phase 1
- 2032-33 $9.75M Construction Phase 2

Salt Creek Restoration – Middle Beach project - $2M

- 2027-28 $200k Detailed design
- 2030-31 $1.8M Construction

6.2 DRAFT - LONG TERM FINANCIAL PLAN 2027-2036

Record Number: D26/35820

Author: Chief Financial Officer

Authoriser: Chief Executive Officer

Attachments: 1. Draft - Long Term Financial Plan 2027-2036 ⇩

EXECUTIVE SUMMARY

- The purpose of this report is to present Council's draft 2027–2036 Long-Term Financial Plan (draft LTFP) to the Audit and Risk Committee (the Committee) for its information and consideration. The report also provides the Committee with an opportunity to make recommendations to Council before the draft LTFP is considered for endorsement for public consultation.
- At its Ordinary Meeting held on 15 July 2026, Council adopted the 2026/2027 Annual Business Plan and Budget, which forms the first year of the draft LTFP which covers the 10 financial years from 2026/2027 to 2035/2036.
- At the same meeting, Council also resolved to commence public consultation on the draft Summary Asset Management Plan (draft SAMP), which has been used to inform all capital (new and renewal), infrastructure operating and maintenance expenditure forecasts included in the draft LTFP.
- The draft LTFP provides a 10-year financial framework to support the delivery of Council's Strategic Plan, Annual Business Plan and Budget, and draft SAMP. The draft LTFP has been developed using best estimate assumptions available as at July 2026 and is intended to guide future decision-making while maintaining Council's long-term financial sustainability.
- The financial projections indicate that Council is expected to remain financially sustainable throughout the 10-year planning period. Both the Adjusted and Underlying Operating Surplus Ratios remain positive, demonstrating that ongoing operating revenues are forecast to be sufficient to fund Council's operating expenditure, independent of land sale proceeds associated with the Two Wells Town Centre development.
- The Asset Renewal Funding Ratio is forecast to achieve the target of 100% from Year 2 onwards, with the Year 1 result reflecting the planned deferral of fleet vehicle replacements pending completion of Council's Motor Vehicle Policy review.
- The Adjusted and Underlying Net Financial Liabilities Ratios are forecast to improve progressively over the life of the draft LTFP, supported by strong cash balances and the assumption that no new borrowings will be required.
- Council's forecast cash position is primarily driven by the proceeds from the sale of land associated with the Two Wells Town Centre development, together with the timing difference between depreciation on significant donated infrastructure assets and the future renewal requirements for those long-life assets.
- Overall, the draft LTFP demonstrates that Council is well positioned to maintain long-term financial sustainability while continuing to deliver the services, infrastructure and strategic initiatives required to support the anticipated growth of the Council area.

RECOMMENDATION 1

"that the Audit & Risk Committee, having considered Item 6.2 – *Draft - Long Term Financial Plan 2027-2036*, dated 12 August 2026, notes that the projected:

1. **Operating Surplus Ratio;**
2. **Asset Renewal Funding Ratio; and**
3. **Net Financial Liabilities Ratio;**

are in-line with the Local Government Association of South Australia recommended target range for the next 10 financial years."

RECOMMENDATION 2

"that the Audit & Risk Committee, having considered Item 6.2 – *Draft - Long Term Financial Plan 2027-2036*, dated 12 August 2026, recommend to Council that the draft 2027-2036 Long Term Financial Plan as contained in Attachment 1 is suitable for public consultation subject to following changes:

----------."

BUDGET IMPACT

Estimated Cost:	An underling and adjusted operating surpluses over the life of the draft LTFP
Future ongoing operating costs:	Interest expenses associated with current borrowings
Is this Budgeted?	Yes (In the draft LTFP estimates)

RISK ASSESSMENT

Interest rate risks

Following the most recent inflation data, the RBA increased the cash rate to 4.35% on 5 May 2026. Most economists anticipate that the RBA may continue to increase the cash rate in 2026 and beyond if inflation remains elevated, which, if realised, would result in further increases in Council's interest expenses. However, financial markets and major institutions like Commonwealth Bank expect rates to remain on hold at 4.35% following softer headline inflation data (easing to 3.8% in June), though some economists warn that underlying pressures could keep the door open for further moves.

Risks of Growth Forecasts

The draft LTFP forecasts significant additional rates revenue from new residential development (growth) in Two Wells, Mallala and Dublin. It also incorporates the additional operating costs associated with servicing this growth, including employee costs, depreciation, materials, contracts and other operating expenses. Should the anticipated growth not materialise as forecast, Council has the ability to adjust the growth-related expenditure accordingly. As a result, the financial impact on Council's ongoing day-to-day operations is expected to be limited.

DETAILED REPORT

Purpose

The purpose of this report is to present Council's draft 2027–2036 Long-Term Financial Plan (draft LTFP) to the Audit and Risk Committee (the Committee) for its information and consideration. The report also provides the Committee with an opportunity to make recommendations to Council before the draft LTFP is considered for endorsement for public consultation.

Background

Section 122(1a) of the *Local Government Act 1999* (the Act) requires councils to develop and adopt:

- a Long-Term Financial Plan (LTFP) for a period of at least 10 years; and
- an infrastructure and asset management plan, relating to the management and development of infrastructure and major assets by the council for a period of at least 10 years (and these plans will also be taken to form part of the council's strategic management plans).

Section 122 (4) the Act requires that the:

- LTFP be reviewed on an annual basis.
- Council must undertake a comprehensive review of its LTFP within2 years after each general election of the council.

The purpose of a Council's LTFP is to express, in financial terms, the activities that it proposes to undertake over the medium to longer term to achieve its stated objectives. It is similar to, but usually less detailed than, the annual budget.

Just like the budget, it is a guide for future action although its preparation requires the Council to think about not just 1 year but the longer-term impact of revenue and expenditure proposals. The aggregation of future strategic plans and business initiatives and their intended outlays and anticipated revenues, enables the accumulating overall financial and economic implications to be readily identified and, if warranted, proposed future activities to be revised. The LTFP should specify and take account of:

- Expected expenses and capital outlays for each year of the plan;
- Expected revenues for each year and their source;
- Any variations in net debt required as a result of expected cash flow needs;
- Performance measures to enable assessment of the Council's financial sustainability over the period of the plan.

Discussion

Long Term Financial Objective of Council

The Long Term Financial Objective of Council is to be "*a Council which delivers on its strategic Objectives by managing its financial resources in a sustainable and equitable manner by incremental growth and service cost containment to reduce the operating deficit over time; as opposed to burdening the ratepayers of the Council with short term excessive increases to their annual council rate bill*".

Financial sustainability means having a financial position capable of meeting long-term service and infrastructure levels and standards, acceptable to the community, without substantial increases in rates or cuts to services. The draft LTFP has been developed based on following budget principles.

They are:

Principle 1: Breakeven budget

Cost of annual Council's services and programs, including depreciation of assets, are fully funded by the current ratepayers being the consumers of those Council services, programs and assets.

Principle 2: Rate Stability

Annual rate collections are fair and equitable for the ratepayers with the aim to keep rate revenue increases stable over the medium term.

Principle 3: Infrastructure and Asset Management

Maintain Infrastructure and Assets in line with the Council's Infrastructure Asset Management Plans.

Principle 4: Prudent Debt Management

Prudent use of debt to invest in new long-term assets to ensure intergenerational equity between current and future users.

The draft LTFP provides the financial projections and budget framework to guide the development of the detailed annul budget and provide a level of assurance to Council Members and the community on the sustainability of Council operations.

A 10-year LTFP summarises the financial impacts of Council's strategic directions and provides an indication of the sustainability of these plans. By evaluating our financial strategies over a planning horizon of 10 years:

a) Council can determine how decisions it makes now and for the draft budget will impact on the future; and

b) ensure that the impact of rates is spread equitably across generations of ratepayers,

so that planned service standards over the long term and infrastructure levels can be met without unplanned and disruptive increases in rates or cuts to services.

The LTFP is prospective information. Actual results are likely to vary from the information presented. Consequently, the information presented is prepared on the basis of best estimate assumptions as to future events which Council expects are likely to take place. These estimates arise from information known in July 2026.

Strategic alignment

The draft LTFP has been developed as part of Council's ongoing financial planning to assist Council to plan within a longer-term strategic framework. Key inputs and influences include:

- An assessment of Council's current financial position for achieving longer term financial sustainability;
- Alignment with the Strategic Plan 2025-2028;
- Consideration of Council's appropriate role and responsibilities;
- Alignment with Council Programs;
- Alignment with Corporate Programs and internal support strategies;
- Alignment with agreed service provision and delivery standards;
- Alignment with Infrastructure and Asset Management Plans.

2026/2027 Annual Business Plan and Budget

At its Ordinary Meeting held on 15 July 2026, the Council adopted the 2026/2027 Annual Business Plan and Budget, which forms the first year of the draft 2027–2036 Long-Term Financial Plan. The draft LTFP covers the 10 financial years from 2026/2027 to 2035/2036.

Draft Summary Asset Management Plan

At the same meeting, Council also resolved to commence public consultation on the draft Summary Asset Management Plan (draft SAMP), which has been used to inform the all capital (new and renewal), operating and maintenance expenditure forecasts included in the draft LTFP.

Operating Surplus

The Adjusted Operating Surplus Ratio, which includes proceeds from the sale of land associated with the Two Wells Town Centre development, forecasts that Council will achieve a positive operating surplus throughout the 10-year planning period **(Figure 1 & 2)**.

The Underlying Operating Surplus Ratio, which excludes proceeds from the sale of land associated with the Two Wells Town Centre development, also forecasts positive operating surpluses over the life of the draft LTFP. This demonstrates that Council's ongoing operating revenues are expected to be sufficient to fund its day-to-day operating expenses, independent of land sale proceeds.

Figure 1: Forecast Operating Surplus ($)

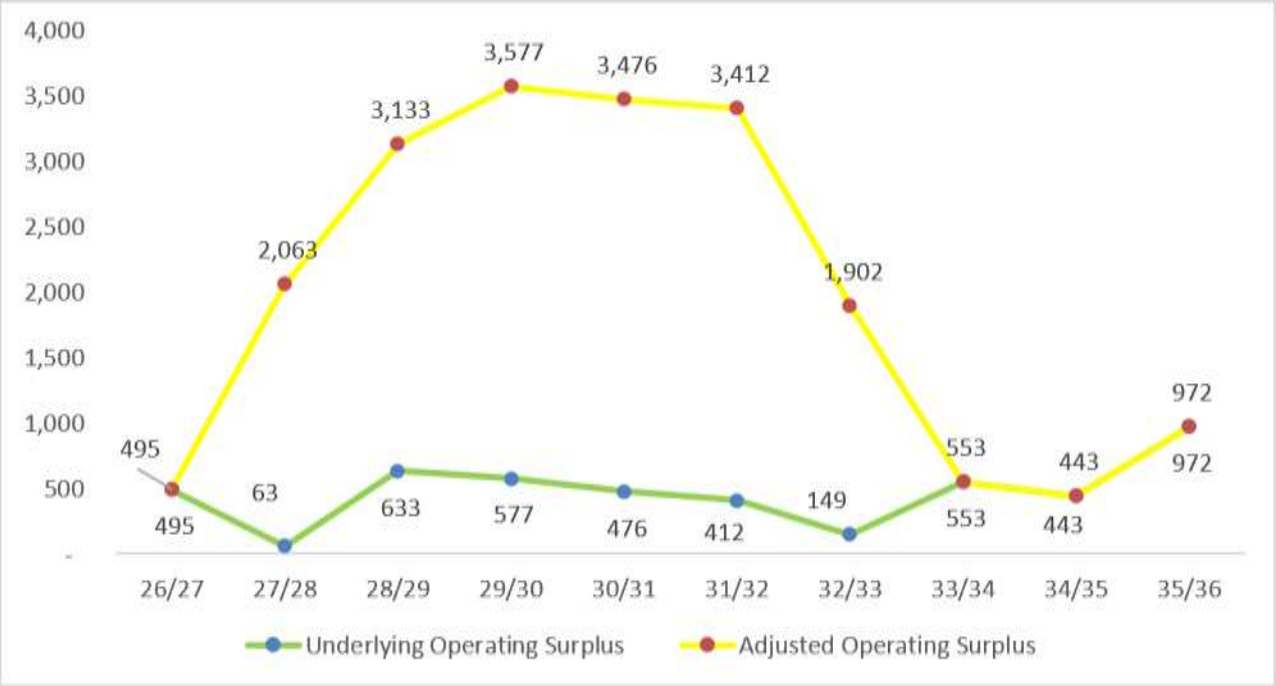
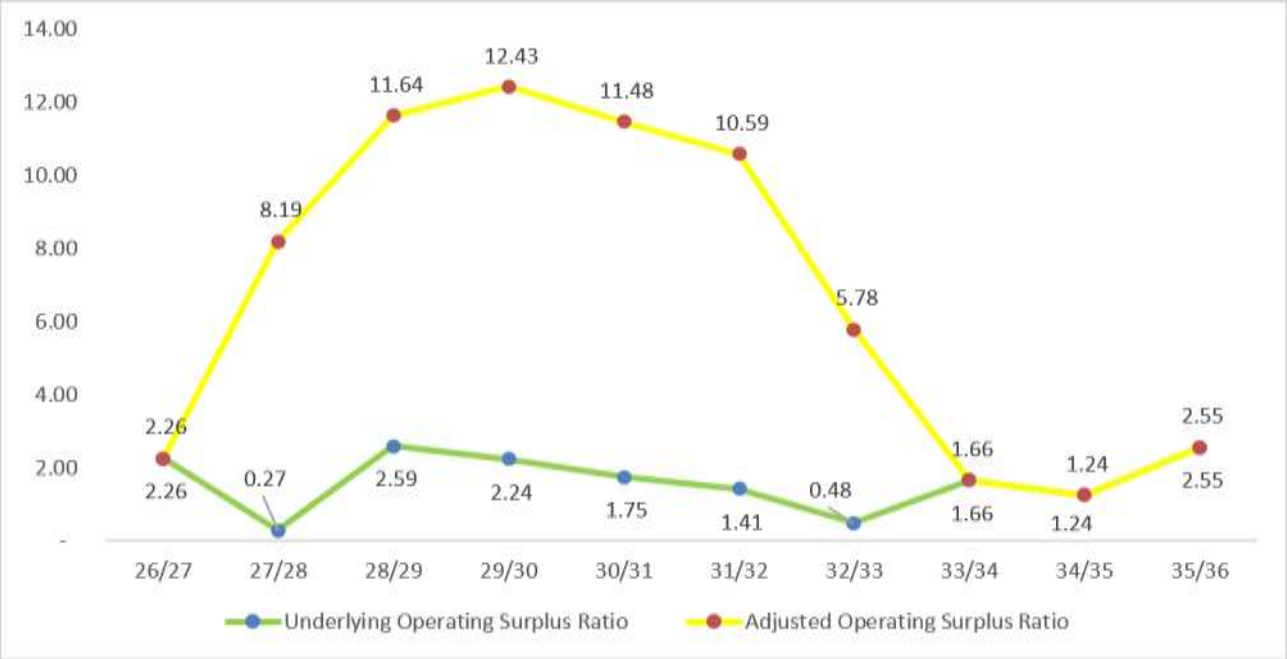


Figure 2: Forecast Operating Surplus Ratio (%)*

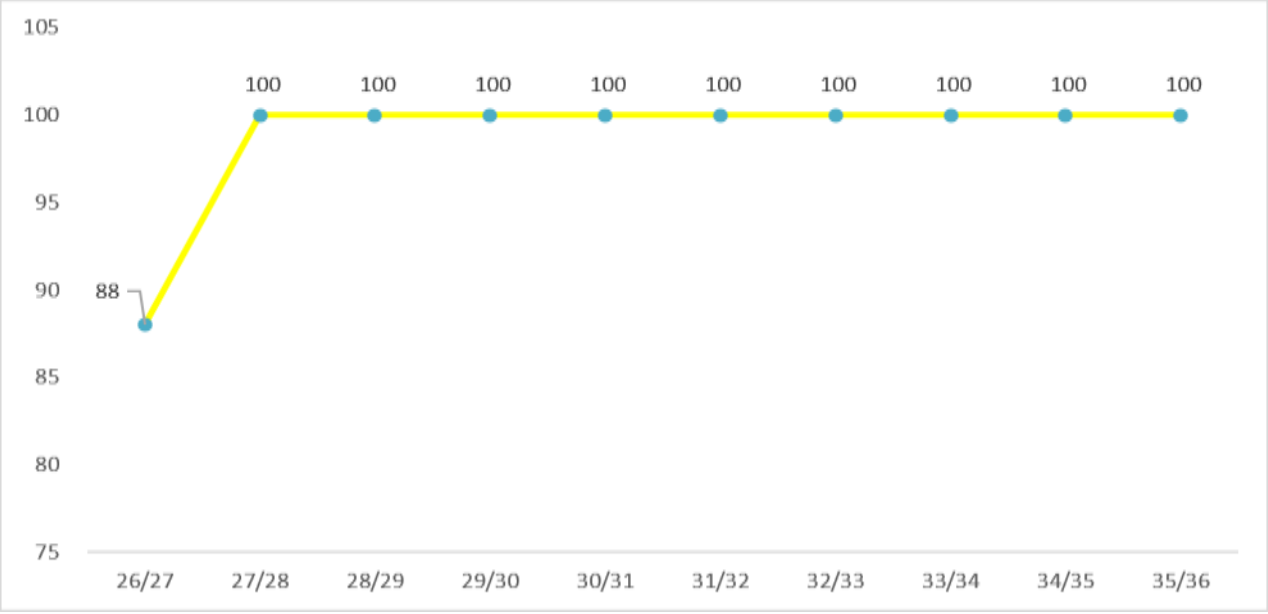


**LGA recommended target is to achieve, on average over time, an operating surplus ratio of between zero and 10%*

Asset Renewal Funding Ratio

Asset Renewal Funding Ratio is expected to be at 100% from Year 2 to Year 10 (**Figure 3**). The Asset Renewal Funding Ratio is projected to be below 100% in Year 1 due to the deferral of fleet vehicle replacements pending the completion of a review of Council's Motor Vehicle Policy.

Figure 3: Asset Renewal Funding Ratio (%)*



**LGA recommended target is, Capital outlays on renewing/replacing assets are, on average, greater than 80% but less than 120% with a rolling average of 100% of the level proposed in the I&AMP.*

Net Financial Liabilities Ratio

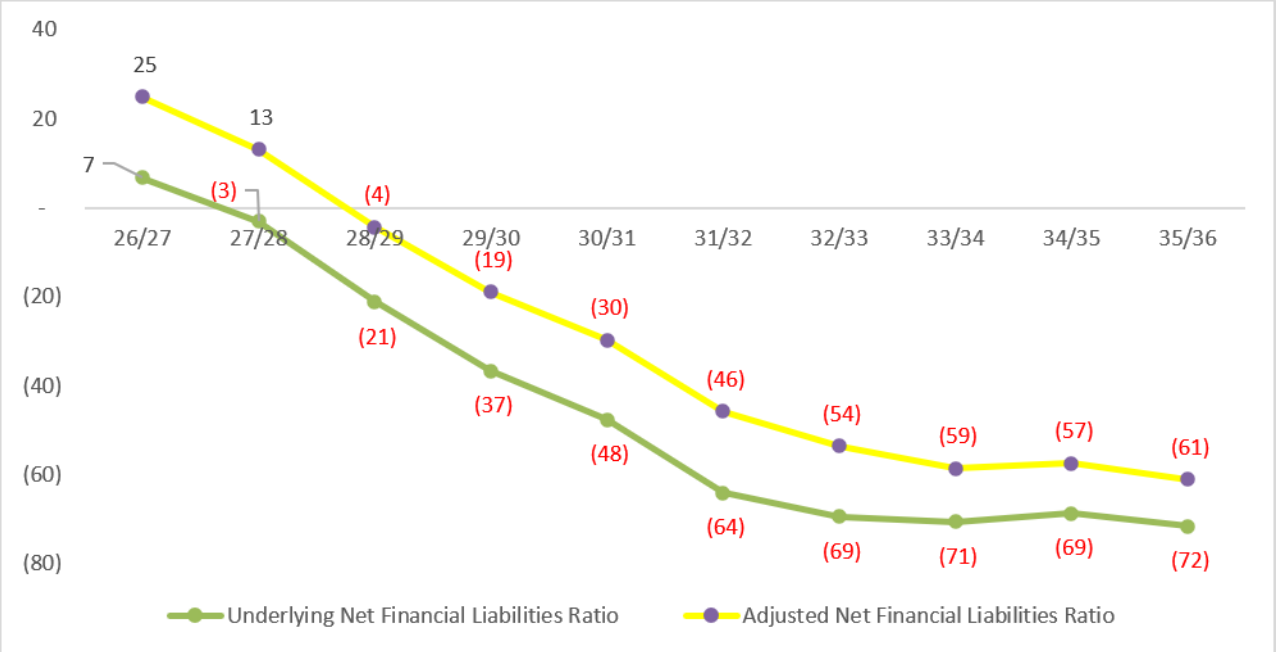
The Adjusted and Underlying Net Financial Liabilities Ratios are forecast to decline over the 10-year planning period (**Figure 4**), reflecting the strong cash position projected in the draft LTFP and the assumption that no new borrowings will be required:

The draft LTFP forecasts a cash balance of approximately $25m by Year 10. This outcome is primarily attributable to the following factors:

a) Council has not yet determined how the proceeds from the sale of land associated with the Two Wells Town Centre development will be utilised or invested. Accordingly, these proceeds remain reflected in Council's forecast cash balances.

b) Over the 10-year period, cumulative depreciation expense is forecast to total approximately $73m, largely due to the significant value of donated assets (approximately $61m) expected to be transferred to Council through new developments. In contrast, cumulative asset renewal expenditure is forecast at approximately $53m, as these newly donated, long-life assets are not expected to require renewal within the life of the draft LTFP. This results in depreciation exceeding renewal expenditure, contributing to the accumulation of cash reserves.

Figure 4: Net Financial Liabilities Ratios (%)*



**LGA recommended target is to achieve, on average over time, net financial liabilities ratio of between zero and 100% of total operating income.*

The draft 2027–2036 LTFP is provided as **Attachment 1**. Please note that the document is a draft and has not yet undergone professional graphic design and formatting.

Conclusion

The draft 2027–2036 LTFP demonstrates that Council is expected to remain financially sustainable over the 10-year planning period while continuing to deliver the objectives of its Strategic Plan and supporting the anticipated growth of the Council area.

The financial projections indicate that all three key financial sustainability indicators remain within, or are forecast to achieve, the Local Government Association of South Australia's recommended target ranges. Both the Adjusted and Underlying Operating Surplus Ratios remain positive throughout the planning period, confirming that Council is expected to generate sufficient operating revenue to fund its ongoing operating expenditure. The Asset Renewal Funding Ratio is forecast to achieve the target level from Year 2 onwards, with the Year 1 result reflecting the planned deferral of fleet vehicle replacements pending completion of the Motor Vehicle Policy review. The Net Financial Liabilities Ratio is forecast to improve progressively over the life of the draft LTFP, supported by a strong forecast cash position and the assumption that no additional borrowings will be required.

While the financial projections are based on the best information available as at July 2026, the draft LTFP remains a strategic planning document and will continue to be reviewed and updated annually to reflect changes in economic conditions, growth assumptions, Council priorities, funding opportunities and other emerging risks.

Overall, the draft LTFP provides a sound and sustainable financial framework to support Council's future decision-making and demonstrates Council's capacity to deliver services, maintain and renew infrastructure, and respond to future growth in a financially responsible manner. It is therefore recommended that the Committee consider the draft LTFP and provide any recommendations to Council prior to its endorsement for public consultation.

References

Legislation

Section 122 of the Local Government Act 1999

Council and Other Policies/Plans

Strategic Plan 2025-2028 (Adopted on 25 November 2024)
2026/2027 Annual Business Plan & Budget (Adopted on 15 July 2026)
Draft Strategic Assets Management Plans (July 2026)
Financial Sustainability Information Paper 9 (Revised in November 2024)
ESCOSA Local Government Advice (February 2023)
Budget Management Policy
Council Vehicle Policy
Rating Policy
Funding Policy
Treasury Management Policy

Draft Long Term Financial Plan 2027-2036

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1. Introduction

Background

Section 122(1a) of the *Local Government Act 1999* (the Local Government Act) requires councils to develop and adopt:

- a long term financial plan (LTFP) for a period of at least 10 years; and
- an infrastructure and asset management plan, relating to the management and development of infrastructure and major assets by the council for a period of at least 10 years.

Section 122(4) (a) of the Local Government Act requires that the LTFP should be reviewed on an annual basis. However, section 122(4)(b) of the Local Government Act specifies that the council must undertake a comprehensive review of its long term financial plans within two years after each general election of the council.

Purpose of the LTFP

The purpose of a council's LTFP is to express, in financial terms, the activities that it proposes to undertake over the medium to longer term to achieve objectives stated in its strategic documents. It is similar to, but usually less detailed than the annual budget. Just like the budget, it is a guide for future actions, although its preparation requires Council to think about not just one year but the longer-term impact of revenue and expenditure proposals/decisions.

The LTFP also provides a level of assurance to Council Members and the community on the sustainability of Council's operations. The aggregation of future strategic plans, programs and initiatives, their intended costs and anticipated revenues, enables the accumulation of overall financial and economic implications to be readily identified and, if warranted, future activities to be revised/deferred.

LTFP as a decision-making tool

A 10-year LTFP summarises the financial impacts of Council's strategic directions and provides an indication of the sustainability of these plans. By evaluating Council's financial strategies over a planning horizon of 10 years, Council can determine how decisions that it makes now will impact the future and ensure the impact of rates is spread equitably across generations of ratepayers, so that planned service standards and infrastructure levels can be met over the long term without unplanned and disruptive increases in rates or cuts to services.

LTFP is a fluid document

The LTFP presents prospective information which will be updated and amended over time as circumstances change. Actual results are likely to vary from the information presented. Consequently, the information in this LTFP is prepared based on best estimate assumptions as to future events which Council expects are likely to take place. Therefore, the LTFP will be annually reviewed, modified and refined as new information is discovered, usually as part of the adoption of the annual budget.

2. How Council plans

The LTFP is informed by Council's Strategic Plan 2025-2028 and infrastructure and assets management plans.



Council's 2028 vision

Adelaide Plains is a thriving proactive community with an enviable lifestyle, emerging economy, and remarkable landscapes.

— *Strategic Plan*

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3. Chief Executive Officer Statement on Financial Sustainability

I am delighted to present Adelaide Plains Council's Draft 2027–2036 Long-Term Financial Plan (LTFP), which outlines Council's financial direction over the next decade and demonstrates our commitment to delivering sustainable services, infrastructure and community outcomes.

As one of South Australia's fastest growing councils, Adelaide Plains is experiencing significant residential growth that brings both opportunities and responsibilities. While growth generates additional revenue and strengthens Council's long-term financial capacity, it also creates ongoing obligations to maintain new roads, parks, stormwater systems, community facilities and other infrastructure. This LTFP has been developed to ensure that Council can accommodate this growth while maintaining high-quality services and protecting the interests of both current and future ratepayers.

The LTFP is founded on four key financial principles: maintaining a sustainable operating position, providing stable and equitable rates, investing appropriately in infrastructure renewal, and applying prudent debt management to achieve intergenerational equity. These principles ensure that Council continues to make responsible financial decisions while supporting the long-term aspirations of our community.

The financial outlook presented in this LTFP is positive. Council is forecast to maintain positive operating surpluses throughout the 10-year planning period, demonstrating that ongoing operating revenues are expected to meet the cost of delivering services without relying on one-off sources of income. Investment in infrastructure renewal is also forecast to remain at sustainable levels, ensuring Council's assets continue to provide the service levels expected by our community.

Importantly, the LTFP demonstrates that Council is not expected to require any new borrowings over the next 10 years to fund its business-as-usual operations or planned operating and capital investment programs. Existing debt is forecast to reduce progressively, strengthening Council's financial position and providing flexibility to respond to future opportunities and unforeseen challenges.

The LTFP has been prepared using prudent financial assumptions and adopts a conservative approach by excluding the potential financial benefits of several significant developments until there is greater certainty regarding their timing and delivery. This ensures the forecasts are realistic, responsible and based on information currently available.

This LTFP demonstrates that Adelaide Plains Council is well positioned to remain financially sustainable, as already concluded by the Essential Services Commission of South Australia, while continuing to invest in the infrastructure, services and facilities that support our growing community. Through disciplined financial management, responsible investment and sound governance, Council is committed to delivering value for money today while preserving opportunities for future generations.

James Miller

Chief Executive Officer

4. Long term financial objective

Council's long term financial objective is to be:

"a Council which delivers on its strategic objectives by managing its financial resources in a sustainable and equitable manner by incremental growth and service cost containment to reduce the operating deficit over time; as opposed to burdening the ratepayers of the Council with short term excessive increases to their annual council rate bill".

Financial sustainability means having a financial position capable of meeting long-term service and infrastructure levels and standards, acceptable to the community, without substantial increases in rates or cuts to services. Therefore, this LTFP has been developed based on the following budget principles.

Principle 1: Breakeven Budget

Annual cost of Council's services and programs, including depreciation of assets, are fully funded by the current ratepayers being the consumers of those services, programs and assets.

Principle 2: Rate Stability

Annual rate collection is fair and equitable for the ratepayers with the aim to keep rate revenue increases stable over the medium term.

Principle 3: Infrastructure and Asset Management

Maintain infrastructure and assets in line with Council's Infrastructure Asset Management Plans.

Principle 4: Prudent Debt Management

Prudent and strategic use of debt to invest in new long term assets to ensure intergenerational equity between current and future users.

5. Key Influences and Risks

This draft LTFP generates information that is used to guide decisions about Council operations into the future. However, as with any long-term plan, the accuracy of this plan is subject to many inherent influences. These variables and risks can be divided into three main groups:

5.1 External Influences – items outside of Council's control

- Unforeseen economic changes or circumstances such as:
  - interest rates fluctuations due to changes in cash rate by Reserve Bank of Australia;
  - localised economic growth – residential and commercial development;
  - new grant program announcement by Federal and State Government during period elections;
  - Adelaide Consumer Price Index (CPI), Local Government Price Index (LGPI); and,

  - changes in specific grant programs such as Financial Assistance Grants, Special Local Roads Grant, Roads to Recovery Grant etc.
- Unforeseen political changes or circumstances such as:
  - changes to levies and their conditions (e.g. EPA Solid Waste Levy, Regional Landscape Levy);
  - cost of natural resources such as electricity, fuel and water;
  - a change in the level of legislative compliance; and,
  - cost-shifting (e.g. Increase in Emergency Services Levy).
- Variable climatic conditions such as flooding, bushfire and drought and the resulting impact on insurance.
- Others, including:
  - availability of portable water to support residential growth;
  - ESCOSA full cost recovery requirement for CWMS service charges;
  - ESCOSA Local Government Advice;
  - increase in overdue rates; and
  - infrastructure assets donated by developers (on average $5m per year).

5.2 Internal Influences – items that Council can control

- Strategic Plan 2025-2028;
- Infrastructure & Asset Management Plans and service levels;
- additional labour resources needed commensurate with growth;
- depreciation on donated and existing assets (although valuations and annual indexation can be considered an external influence);
- rates increase, changes in rating methodology and other financial influences;
- performance management;
- productivity and efficiencies in service delivery;
- Enterprise Agreements (EA) and associated employee costs; and
- investment in IT infrastructure and data security.

5.3 Community Drivers

- Community needs and expectations, for example, for more sealed loads or well maintained street verges; and
- request for financial assistance and in-kind support from local community and sporting groups.

To minimise the inherent risks of long-term financial planning, Council will review and update the long-term financial plan regularly and ensure that the most recent economic data and forecasts are being used as the basis.

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6. Basis of Preparation

The LTFP consolidates the funding requirements from Council's draft Summary Asset Management Plan (SAMP) and provides a holistic view which helps ensure Council operates sustainably over the 10-year period. It enables Council to effectively and equitably manage service levels, asset funding and revenue-raising decisions, balanced with achieving its financial strategy and key performance indicators.

In developing the LTFP, key financial principles have been established that underpins Council's forecast financial performance and position over a 10-year time frame. The LTFP incorporates a number of assumptions as part of a statutory requirement (within the Local Government Act). Due to the variable nature of these assumptions and changes in the economy, an annual review of the LTFP will provide Council with the opportunity to review the financial principles to easily adapt to these external influences, changes in proposed service levels or projects. This involves concerted input from Council Members, Audit & Risk Committee and the community.

The financial projections and targets contained within this LTFP indicate Council's direction and financial capacity into the future and are intended to be viewed as a guide to future actions or opportunities. This in turn encourages Council to analyse the future effects and impacts of current decisions made by Council.

For this LTFP, 2026/2027 budgeted financial statements forms the basis for year 1. Years 2 to 10 present nine inclusive years of financial projections underpinned by the base data.

6.1 LTFP Framework

The LTFP has been prepared within the following framework:

- Maintaining existing Council services at current service levels.
- Continue to invest in growth to ensure future financial sustainability of Council.
- Support the achievement of the Strategic Plan 2025-2028 objectives.
- Maintains, on average, a break-even or positive funding (cash) position over the LTFP.
- Achieve long term financial sustainability.
- Maintain intergenerational equity.
- Continues to improve the maintenance of assets in accordance with Council's Infrastructure and Asset Management Plan (IAMP), with a priority on;
  - maintenance before renewal, and
  - renewal before new when it is cost effective to do so.
- Council only approves new major projects where it has identified funding capacity to do so, including prudential review where required.
- Council continues to fund the full life-cycle costs of any new or enhanced services or construction of new assets through savings, rate increases, grant funding or new borrowings.
- Review existing services and assets to ensure they meet prioritised community needs.
- Responsible changes in rating policy/methodology while maintaining regulatory compliance.

6.2 LTFP Inputs

The LTFP has various inputs, including:

- Audited financial statement for the 2024/2025 Financial Year.
- Annual Business Plan and Budget adopted by Council for 2026/2027 Financial Year.
- Assumptions on the inflation of various revenue and expenses.
- Relevant Enterprise Agreement and awards in relation to salaries and wages.
- Strategic Plan 2025-2028 and Infrastructure and Asset Management Plans.
- Feedback from the Audit & Risk Committee, Council Members and the community.
- ESCOSA Local Government Advice.

6.3 Key Drivers and Assumptions

It is important that Council's LTFP reflects the most recent economic data and forecasts available. Therefore, the LTFP has been developed based on a number of assumptions, and any shift in the actual results compared to the assumptions will cause variations to the LTFP forecast. Further, material variations between the assumptions and actuals over several years would have a very significant impact on the LTFP forecast results due to the compounding effect year on year into the future. A number of underlying key assumptions used in the LTFP have been listed in **Table 1.**

Adelaide Consumer Price Index (CPI) / Local Government Price Index (LGPI)

The average operating cost increases for local government materials, contracts and other service costs are estimated using the LGPI as prices of these items move in different ways to how average household prices move. The LGPI is similar to CPI but represents the movements of prices associated with goods and services consumed by local government in South Australia. It is prepared and updated on a quarterly basis by the South Australian Centre for Economic Studies.

The Reserve Bank of Australia has an inflationary target of between 2% and 3% per annum for Australia. (The CPI) rose 3.8% in the 12 months to June 2026. Therefore, for this LTFP, an annual CPI/LGPI of 3% has been factored when estimating income and expenses for from Year 2 to 10.

The key economic indicators and drivers used in this LTFP are summarised in **Table 1** below based on best available information as July 2026.

Table 1: Key Drivers and Assumptions used in the LTFP

Description	Assumptions
CPI/LGPI	3% from Year 2 to Year 10
General Rates Income	Increase to existing ratepayers Year 2 to 10 : 3% increase in average rates Growth Year 2 to 4 : 3%, Year 5 : 4% and 5% thereafter
CWMS Charge	7% increase annually
Waste Charge	7% increase annually

Regional Landscape Levy	5% increase annually
Statutory charges	3% increase annually
User charges	3% increase annually
Grants	Estimates are based on confirmed grant programs such as Financial Assistance Grants, Special Local Roads Grant, Roads to Recovery Grant, Library Operating Grant etc. on the assumption that these grants program will continue during the 10 year period.
Employee Costs	4% increase annually
Materials, contracts and other	3% to 4% on average over the 10 year period (excluding additional expenses associated with growth).
Depreciation	7.5% increase annually
Finance Costs	Based on current and estimated new borrowings required.
Capital Project Costs	5% increase annually
Operating Project Costs	3% increase annually
Receivable, trade payables and provisions	No significant increase in overdue rates, trade receivable, trade payables and provisions.
Donated Assets	Council is expected to receive donated assets of $6.1m per year on average over the 10 year period from developers.

6.4 Growth Projections

Historical Growth

Based on the audited financial statements for the period 2014/15 to 2024/25 and the 2025/26 and 2026/27 Annual Business Plans, Council has experienced significant growth in both rates income and developer-contributed (donated) assets, reflecting the rapid population growth and development occurring across the district. In contrast, Full-Time Equivalent (FTE) employee numbers have increased only moderately over the same period.

This demonstrates that Council has largely absorbed the increasing demands associated with growth through improved operational efficiencies and productivity, while strategically increasing staffing levels only where necessary to maintain service delivery and support the expanding community. However, this is not a sustainable approach going forward and Council has reached a point that it can no longer make operational efficiencies and productivity. There is a now a need to increase staffing levels.

- Rates Income

Rates income has increased consistently from $7.49m in 2014/15 to a budgeted $17.56m in 2026/27, representing an overall increase of approximately 134%. This growth has been driven by a combination of annual rate increases, growth in the number of rateable properties due to ongoing residential development that result in Council's expanding service responsibilities.

While annual growth in rates income remained relatively modest between 2014/15 and 2022/23, stronger increases have occurred over the past four years. This reflects the

accelerating population growth within the Council area, particularly in the Two Wells growth corridor.

- Donated Assets

The value of infrastructure assets donated by developers has increased substantially over the period, rising from $0.56m in 2014/15 to an average of approximately $5.0m per annum in recent years. Following relatively low levels of donated assets prior to 2018/19, contributions increased significantly from 2019/20 onwards, reflecting the rapid pace of residential subdivision and development occurring across the district.

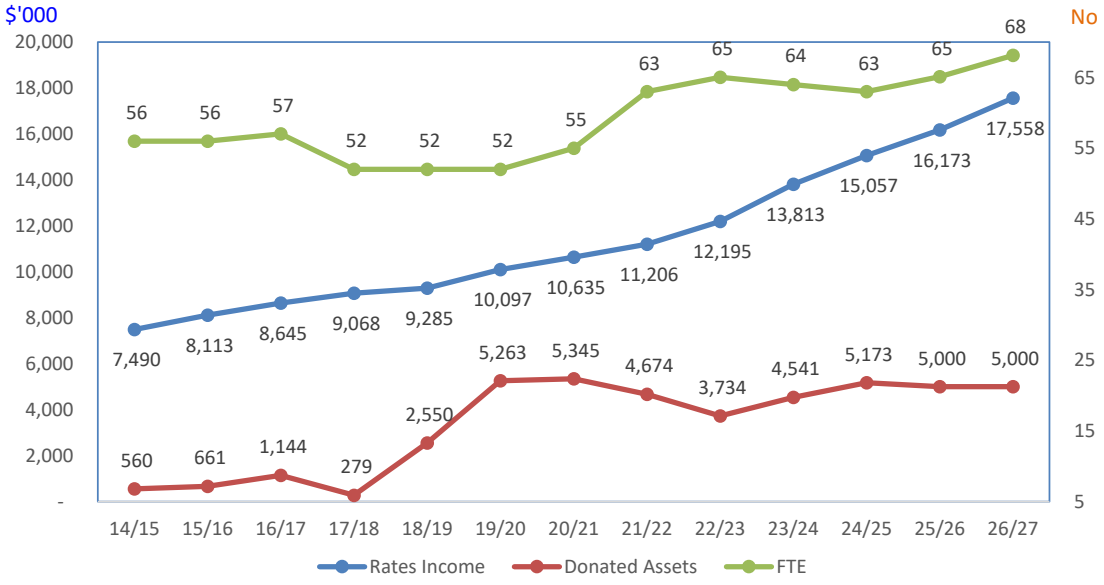
The 2025/26 and 2026/27 Annual Business Plans continue to forecast developer-contributed assets of approximately $5.0 million annually, highlighting that growth continues to generate substantial new infrastructure for Council. This trend reflects the rapid pace of residential development, particularly within Two Wells and Mallala, with developers progressively transferring roads, stormwater infrastructure, reserves and other community assets to Council.

- FTE numbers

Council's staffing levels remained relatively stable between 2014/15 and 2020/21, fluctuating between 52 and 57 FTEs. However, as growth accelerated, staffing levels increased to 63 FTEs in 2021/22 to support the additional service demands associated with a larger and expanding community.

Following a temporary reduction to 63 FTEs in 2024/25, staffing is budgeted to increase to 68 FTEs by 2026/27. This represents 22% increase over the period which is significantly lower than the growth in rates income and infrastructure assets. This increase reflects Council's minimal investment in additional resources across key service areas to meet the demands of population growth, manage an expanding asset base, deliver an increased capital works program and maintain expected service levels.

Figure 1: Historical Growth



The above graph shows donated assets, rates income and FTE numbers at the end of relevant financial year covering a period of 13 years based on audited financial statements.

The comparison highlights that Council has accommodated substantial growth without a corresponding increase in staffing resources. While this demonstrates improvements in operational efficiency, it also indicates that existing resources are supporting a significantly larger asset base, higher service demand and increasing community expectations. The continued growth in donated assets and population is expected to place further pressure on Council's financial sustainability and operational capacity, reinforcing the need for ongoing investment in asset management, infrastructure renewal and appropriately resourced service delivery.

Overall, the historical data demonstrates that Council has transitioned from a predominantly rural council to one experiencing sustained urban growth. Therefore, future financial planning will need to ensure that recurrent revenue growth keeps pace with the long-term costs associated with maintaining and renewing the expanding infrastructure network while continuing to deliver services expected by a growing community.

This analysis also supports the rationale for Council's current approach to growth funding, including ensuring that growth-related costs are appropriately recovered from new development wherever practicable, thereby reducing the financial burden on existing ratepayers.

Forecast Growth

Growth over the life of the LTFP has been forecast based on:

a) the delivery of an average of 112 new dwellings per annum across the Council district through residential subdivisions until 2031, increasing to an average of 202 new dwellings per annum from 2032 onwards; and
b) projected resident population increase of approximately 300 people per year until 2031, rising to around 540 people per year from 2032, reflecting the higher rate of residential development.

However, the availability of portable water remains a **critical enabler of future growth** and is a key assumption underpinning these projections.

The table below summarises the anticipated changes across the Council district between 2025 and 2036 in terms of population, the number of rateable properties, and Council-owned infrastructure assets.

Table 2: Growth Projections

Description	2025	2036	Increase
Estimated Resident Population	11,736	16,236	38%
No of Rateable Properties	6,108	7,827	28%
Net Value of Infrastructure Assets ($Mn)	204	392	92%
Full-Time Equivalent employee	63	95	51%

Based on projected development activity, Council expects to receive an approximate $6.1m on average in donated infrastructure assets each year over the life of this LTFP.

While these assets are provided at no upfront capital cost to Council, they result in ongoing operating and lifecycle costs, including:

- watering new open space areas and reserves;
- increased electricity costs associated with new public lighting;
- maintenance of road signs, line marking and weed control;
- ongoing maintenance of sealed roads, footpaths and street sweeping;
- depreciation of infrastructure assets transferred to Council by developers; and
- additional staffing resources required to maintain roads, stormwater infrastructure, parks, reserves and other community assets.

Potential impact of not achieving forecast growth

To ensure the LTFP remains financially sustainable, Council has incorporated both the additional revenue generated from new residential developments (growth) in Two Wells, Mallala and Dublin, and the associated operating, maintenance, depreciation and asset renewal costs. These projections are based on current service levels, existing maintenance standards and prevailing revenue assumptions, ensuring that the financial impacts of growth are appropriately recognised throughout the life of the LTFP.

Should the anticipated growth not materialise as forecast, Council could adjust the growth-related expenditure accordingly. As a result, the financial impact on Council's ongoing day-to-day operations is expected to be limited.

7. 10 Year Capital and Operating Project Program

7.1 Operating Project Program

To achieve the objectives of the Strategic Plan 2025-2028 and the infrastructure and asset management plans, Council is planning to undertake operating project program of $24.811 over the 10-year period in nominal (current day) values.

However, for the purposes of long-term financial planning, this expenditure has been expressed in real values by indexing the nominal values for an assumed annual non-capital inflation rate of 3%.

Using real values provides a more meaningful basis for comparing funding requirements across different years, as it reflects the future cost of delivering project. For example, assuming a 3% annual inflation rate, a project costing $100 today would cost approximately $134 in 10 years' time.

Accordingly, the forecast operating project program for the next 10 years as summarised in **Table 3** below has an allocation of $25.681m at real costs across the 10-year period.

Table 3: Operating Project Program – at Real Value ($'000) #

Description	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	34/35	35/36
Growth Related resourcing*	127	422	786	1,175	1,591	2,034	2,506	3,008	3,543	4,111
Others Operating Project	261	792	526	525	630	591	591	584	997	881
Total Expenditure	388	1,214	1,312	1,700	2,221	2,625	3,097	3,592	4,540	4,992

Final budgets and the timing of this expenditure will be confirmed as part of future annual budget deliberations.

* Additional staffing resources will be required across engineering, parks and gardens, road maintenance, community safety, compliance, administration, and project management to support the anticipated growth across the Council district. Accordingly, the LTFP includes provision for three new positions each year from 2027/2028 to 2035/2036.

Growth-related resourcing is funded

As the draft LTFP assumes an average annual rate increase of 3% for existing ratepayers over the next 10 years, the additional staffing resources required to support growth are not intended to be funded by existing ratepayers. Instead, these positions are expected to be funded from the additional rates revenue generated by growth and development across the Council district.

Therefore, the timing and number of these additional positions will be reviewed annually and adjusted to reflect the actual rate of growth. Should growth occur at a slower pace than currently projected in the LTFP, the recruitment of additional staff will be deferred or reduced accordingly.

Including the two new positions approved by Council as part of the 2026/2027 Annual Business Plan and Budget, the LTFP provides for a total of 29 additional positions over the next 10 years.

7.2 Capital Works Program

The Draft Strategic Asset Management Plan presented to Council meeting on 15 July identified a capital investment program of $84m in nominal (current day) values. However, for the purposes of long-term financial planning, the capital expenditure has been expressed in real values by indexing the nominal values for an assumed annual capital inflation rate of 5%.

Accordingly, the forecast Capital Works Program for the next 10 years is summarised in the **Table 4** below. It includes budgetary allocations of $106m at real costs across the 10-year period as follows:

- renewal and Replacement of existing assets totalling $53m; and
- further $53m on new and upgraded assets (**Table 5**).

Table 4: Capital Project Program – at Real Value ($'000)

Expenditure Category	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	34/35	35/36
Plant, Fleet & Equipment	653	1,299	865	1,554	1,457	651	1,784	1,618	1,477	2,327
Pram Ramps	10	26	13	12	12	13	13	14	15	16
Site Improvements	206	483	1,080	405	14,647	383	14,138	1,126	1,108	155
Sealed Roads	1,413	2,310	1,191	1,250	1,313	1,378	1,447	1,520	1,596	1,675
Unsealed Roads	1,677	1,575	1,654	1,736	1,823	1,914	2,010	2,111	2,216	2,327
Building	-	525	-	10,997	243	191	-	-	1,436	884
Footpaths	213	380	331	347	365	383	402	422	443	465
Bridges	-	-	-	-	790	-	-	-	-	-
Kerbing	-	635	353	347	365	383	402	422	443	465
Stormwater	10	11	132	12	-	-	-	-	-	-
CWMS	10	11	11	263	128	-	134	281	310	-
Total Expenditure	**4,191**	**7,254**	**5,630**	**16,923**	**21,143**	**5,297**	**20,331**	**7,514**	**9,045**	**8,315**

Expenditure Category	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	34/35	35/36
New/Upgrade	1,407	3,567	1,599	11,924	15,012	893	14,607	1,196	1,034	1,862
Renewal	2,784	3,688	4,032	5,000	6,131	4,403	5,724	6,318	8,011	6,454
Total Expenditure	**4,191**	**7,254**	**5,630**	**16,923**	**21,143**	**5,297**	**20,331**	**7,514**	**9,045**	**8,315**

7.3 New Capital Assets in Detail

In order to strengthened alignment between infrastructure investment and Council's Strategic Plan 2025–2028, the following strategic infrastructure projects have been included in the LTFP:

- Two Wells Oval redevelopment based on Two Wells Oval Master Plan ($20m at today's price)*
- Community and Civic Hub ($10m at today's price)*;
- Salt Creek Restoration Middle Beach ($0.2m at today's price)*; and
- 100% confirmed State Government funding to construct and seal projects (The Esplanade - Thompson Beach and The Esplanade - Parham)

* The delivery of these projects are contingent on Council successfully securing government grant funding, with Council providing the required co-contribution. Funding the project entirely through rates revenue or additional borrowings would not be financially sustainable. Accordingly, if grant funding is not secured, the project will not proceed and will be deferred until appropriate external funding becomes available.

Table 5: New Capital Project Program in Detail ($'000) *

Asset Class	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	34/35	35/3
Footpaths	213	380	331	347	365	383	402	422	443	4(
Depot Plants	278	578	55	116	122	-	603	211	-	7
Kerbings	-	614	331	347	365	383	402	422	443	4(
Site Improvements	-	294	110	116	122	128	134	141	148	1
Sealing of The Esplanade at Thompson Beach	916	-	-	-	-	-	-	-	-	
Port Parham Esplanade Sealing	-	410	-	-	-	-	-	-	-	
Port Parham Esplanade boat ramp and northern carpark works	-	767	-	-	-	-	-	-	-	
Two Wells Oval Development	-	-	551	-	11,851	-	13,066	-	-	
Salt Creek Restoration Middle Beach		-	221	-	2,188	-	-	-	-	
Community and Civic Hub Development		525	-	10,997	-	-	-	-	-	
Total Investment	1,407	3,567	1,599	11,924	15,012	893	14,607	1,196	1,034	1,8(

*While the estimates given above are based on best available information in July 2026, exact budgets allocation and the timing of the delivery of these capital program will be confirmed as part of future annual budget deliberations.

7.4 Projects excluded from the LTFP

Council contribution towards potential flood mitigation works by Gawler River Floodplain Management Authority (GRFMA) has not been included in the LTFP although these works are expected to cost a significant amount of money. This is because of GRFMA's current policy position that no capital costs for the proposed Northern Floodway are borne by constituent councils.

In addition, the LTFP adopts a prudent approach by excluding potential future rates revenue from two significant developments until there is greater certainty regarding their expected construction completion dates and capital values for rating purpose. These include:

a) the Battery Energy Storage System at Reeves Plains, currently being developed by Alinta Energy; and
b) future rates revenue, donated infrastructure assets and the associated depreciation arising from the Two Wells Town Centre development.

Accordingly, the financial projections contained in the draft LTFP do not reflect the potential positive and negative financial impact of these developments, which may further Council's long-term financial position once they are realised.

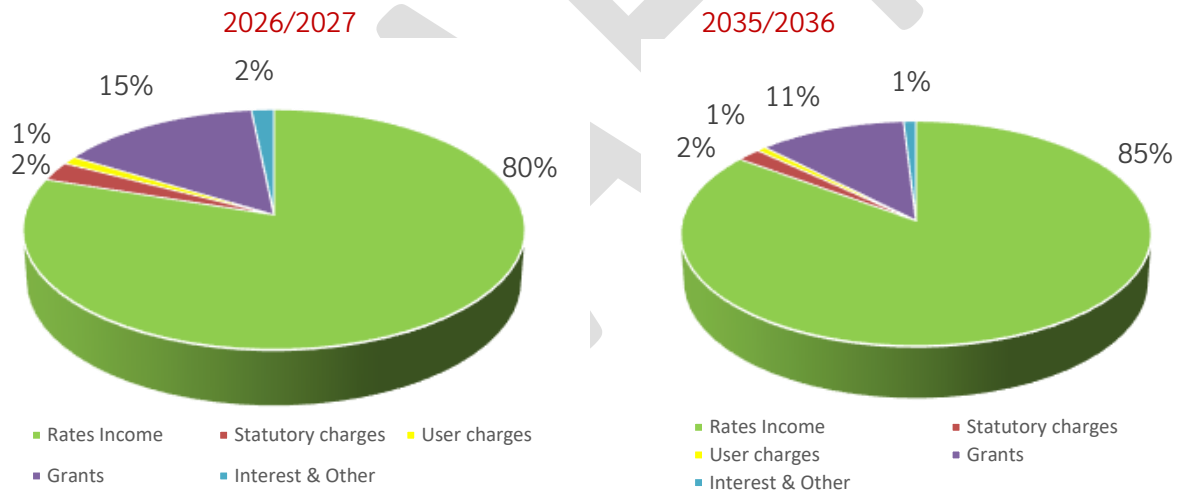
7.5 Long term Financing Strategy

In order to delivery current range of Council services at current level as well as fund project programs identified in **Table 3** and **Table 4**, Council is planning to utilise the following revenue sources as well as new borrowings in line with its long-term financial planning objectives.

- Rates income
- Statutory Charges, User Charges
- Grants, Subsidies and contributions
- Interest and other income

Figure 2 shows the changes in the mix of various funding sources in the financing strategy in 2026/2027 and 2035/2036 Financial Years. Accordingly, rates income contributes more than other income sources despite 3% increase in average rates for existing ratepayers and plays a very important role going forward in the delivery of Council's services, programs and projects. This is mainly due to new properties added to the rating system as a result of growth.

Figure 2: Distribution of Operating Income based on LTFP Estimates



7.6 Projected Debt Levels

Council delivers a range of asset-intensive services that require significant upfront investment in the acquisition and construction of infrastructure, together with ongoing expenditure for the maintenance and renewal of those assets. Without the prudent use of borrowings, it can be challenging for Council to fund new infrastructure while simultaneously maintaining and renewing its existing asset base.

In the absence of debt funding, Council would generally be required to either secure external grant funding, increase rates to fund capital investment, or defer the delivery of new infrastructure until its financial capacity improves.

Funding long-life assets solely through increased rates would place a disproportionate financial burden on current ratepayers, despite future generations continuing to benefit from those assets. The responsible and prudent use of debt promotes intergenerational

equity by distributing the cost of long-life infrastructure across both current and future beneficiaries.

Notwithstanding these principles, the draft LTFP demonstrates that Council is not expected to require any new borrowings over the 10-year planning period to fund its business-as-usual operations or deliver the operating projects and capital works programs identified in **Tables 4** and **6**. This reflects Council's strong forecast financial position and its capacity to fund planned service delivery and infrastructure investment from existing and projected revenue sources during next 10 years.

Table 6: Summary of Forecast Debt Level at the end of Financial Year ($'000)

Description	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	34/35	35/3
Debenture Loans	1,663	1,634	1,604	1,572	1,539	1,505	1,468	1,431	1,391	
Short-term Loans	2,491	311	-	-	-	-	-	-	-	
Total Borrowings	4,154	1,945	1,604	1,572	1,539	1,505	1,468	1,431	1,391	
Expected ST rates	5.85%	5.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00

It should be noted that Council's future borrowings will be made in accordance with its Treasury Management Policy which states that *'To ensure an adequate mix of interest rate exposures, Council will restructure its portfolio of borrowings, as old borrowings mature and new ones are raised, to progressively achieve and thereafter maintain on average in any year, of not less than 30% of its gross debt in the form of fixed interest rate borrowings.'*.

Therefore, any decisions to borrow short-term or long term funds will be made after taking in to consideration;

- prevailing interest rates;
- whether Council is successful in securing grants for some of the projects;
- progress of Council's annual project budget; and
- when rates instalments are due etc.

Indicative interest rates with LGFA as of 31 July 2026 are:

- Short-term Cash Advance 5.85%
- 5 yrs 6.23%
- 10 yrs 6.37%
- 15 yrs 6.50%

8. Long Term Financial Statements and Financial Indicators

The following pages show Council's Long Term Financial Plan for the 10 year period.

8.1 Long Term Financial Statements

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ADELAIDE PLAINS COUNCIL
LONG TERM STATEMENT OF COMPREHENSIVE INCOME

$'000

	26/27 Year 1	27/28 Year 2	28/29 Year 3	29/30 Year 4	30/31 Year 5	31/32 Year 6	32/33 Year 7	33/34 Year 8	34/35 Year 9	35/36 Year 10
INCOME										
Rates	17,558	18,658	19,750	20,974	22,351	24,147	25,926	27,957	30,041	32,391
Statutory charges	570	584	599	614	629	645	661	677	694	711
User charges	236	239	243	247	251	255	259	264	268	272
Grants, subsidies and contributions - Operating	2,723	2,826	2,932	3,043	3,158	3,277	3,402	3,531	3,665	3,805
Grants, subsidies and contributions - Capital	500	527	527	527	527	527	527	527	527	527
Interest Income	14	14	14	14	14	14	14	14	14	14
Reimbursements	91	91	91	91	91	91	91	91	91	91
Other Income	253	2,253	2,754	3,254	3,254	3,254	2,008	255	255	256
TOTAL INCOME	**21,945**	**25,192**	**26,910**	**28,763**	**30,275**	**32,211**	**32,887**	**33,316**	**35,556**	**38,068**
EXPENSES										
Employee Costs	8,146	8,468	8,803	9,151	9,513	9,890	10,282	10,689	11,113	11,553
Materials, contracts and other expenses	6,982	7,296	7,527	7,767	8,016	8,720	9,487	9,765	10,104	10,503
Depreciation	5,167	5,555	5,971	6,419	6,901	7,418	7,974	8,573	9,215	9,907
Interest Expenses	519	518	84	71	70	68	67	65	63	61
Share of loss - joint ventures & associates	249	79	79	79	79	79	79	79	79	79
TOTAL EXPENSES	**21,062**	**21,915**	**22,464**	**23,487**	**24,578**	**26,174**	**27,888**	**29,170**	**30,574**	**32,104**
RECURRENT SURPLUS	883	3,277	4,446	5,276	5,697	6,037	4,999	4,145	4,982	5,964
Cost of Operating Project Expenses	(388)	(1,214)	(1,312)	(1,700)	(2,221)	(2,625)	(3,097)	(3,592)	(4,540)	(4,992)
ADJUSTED OPERATING SURPLUS	**495**	**2,063**	**3,133**	**3,577**	**3,476**	**3,412**	**1,902**	**553**	**443**	**972**
Asset Disposal & Fair Value Adjustments	17	103	122	132	213	118	198	200	200	200
Amounts received for new/upgraded assets	916	1,645	772	10,997	14,039	-	13,066	-	-	-
Physical resources received free of charge	5,000	9,000	5,500	5,500	5,500	8,000	6,000	5,500	5,500	5,500
NET SURPLUS (DEFICIT)	**6,428**	**12,811**	**9,527**	**20,206**	**23,228**	**11,530**	**21,166**	**6,253**	**6,143**	**6,672**
OTHER COMPREHENSIVE INCOME										
Changes in assets revaluation surplus	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
Share of Operating loss at GRFMA	(55)	(55)	(55)	(55)	(55)	(55)	(55)	(55)	(55)	(55)
TOTAL COMPREHENSIVE INCOME	**14,373**	**20,756**	**17,472**	**28,151**	**31,173**	**19,475**	**29,111**	**14,198**	**14,088**	**14,617**

ADELAIDE PLAINS COUNCIL
LONG TERM STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE

$'000

	26/27 Year 1	27/28 Year 2	28/29 Year 3	29/30 Year 4	30/31 Year 5	31/32 Year 6	32/33 Year 7	33/34 Year 8	34/35 Year 9	35/36 Year 10
ASSETS										
Current Assets										
Cash and cash equivalents	296	277	4,382	8,631	12,161	17,857	20,709	22,562	23,414	24,865
Trade & other receivables	1,743	1,743	1,743	1,743	1,743	1,743	1,743	1,743	1,743	1,743
Inventories	472	472	472	472	472	472	472	472	472	472
Total Current Assets	**2,511**	**2,492**	**6,597**	**10,846**	**14,377**	**20,072**	**22,924**	**24,777**	**25,629**	**27,080**
Non-Current Assets										
Equity accounted investments in Council Business	10,209	10,075	9,941	9,808	9,674	9,540	9,407	9,273	9,139	9,006
Infrastructure, Property, Plant and Equipment	230,710	249,410	262,569	286,573	314,315	328,194	354,550	366,991	380,321	392,229
Other Non-current Assets	2,208	2,208	2,208	2,208	2,208	2,208	2,208	2,208	2,208	2,208
Total Non -Current Assets	243,127	261,693	274,718	298,589	326,197	339,942	366,165	378,472	391,668	403,443
Total Assets	**245,637**	**264,185**	**281,316**	**309,435**	**340,574**	**360,014**	**389,089**	**403,249**	**417,297**	**430,523**
LIABILITIES										
Current Liabilities										
Trade & Other Payables	1,444	1,446	1,446	1,446	1,446	1,446	1,446	1,446	1,446	1,446
Borrowings	2,520	342	32	33	35	36	38	40	1,392	0
Provisions	1,692	1,692	1,692	1,692	1,692	1,692	1,690	1,690	1,688	1,688
Total Current Liabilities	**5,657**	**3,479**	**3,170**	**3,171**	**3,173**	**3,174**	**3,174**	**3,176**	**4,525**	**3,134**
Non-current Liabilities										
Borrowings	1,634	1,604	1,572	1,539	1,505	1,468	1,431	1,391	-	-
Provisions	216	216	216	216	216	216	216	216	216	216
Total Non-current Liabilities	1,850	1,820	1,788	1,755	1,721	1,684	1,647	1,607	216	216
Total Liabilities	7,507	5,299	4,957	4,926	4,893	4,859	4,821	4,783	4,741	3,350
NET ASSETS	**238,131**	**258,886**	**276,359**	**304,510**	**335,683**	**355,157**	**384,268**	**398,466**	**412,554**	**427,171**
EQUITY										
Accumulated Surplus	76,310	89,065	98,538	118,689	141,862	153,336	174,447	180,645	186,733	193,350
Asset Revaluation Reserve	161,741	169,741	177,741	185,741	193,741	201,741	209,741	217,741	225,741	233,741
Other Reserves	80	80	80	80	80	80	80	80	80	80
TOTAL EQUITY	**238,131**	**258,886**	**276,359**	**304,510**	**335,683**	**355,157**	**384,268**	**398,466**	**412,554**	**427,171**

ADELAIDE PLAINS COUNCIL
LONG TERM STATEMENT OF CHANGES IN EQUITY AS AT 30 JUNE

$'000

	26/27 Year 1	27/28 Year 2	28/29 Year 3	29/30 Year 4	30/31 Year 5	31/32 Year 6	32/33 Year 7	33/34 Year 8	34/35 Year 9	35/36 Year 10
ACCUMULATED SURPLUS										
Balance at end of previous reporting period	69,936	76,310	89,065	98,538	118,689	141,862	153,336	174,447	180,645	186,733
Net Result for Year	6,373	12,756	9,472	20,151	23,173	11,475	21,111	6,198	6,088	6,617
Balance at end of period	**76,310**	**89,065**	**98,538**	**118,689**	**141,862**	**153,336**	**174,447**	**180,645**	**186,733**	**193,350**
ASSET REVALUATION RESERVE										
Balance at end of previous reporting period	153,741	161,741	169,741	177,741	185,741	193,741	201,741	209,741	217,741	225,741
Gain on revaluation of infrastructure, property, plant & equipment	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
Balance at end of period	**161,741**	**169,741**	**177,741**	**185,741**	**193,741**	**201,741**	**209,741**	**217,741**	**225,741**	**233,741**
OTHER RESERVES										
Balance at end of previous reporting period	80	80	80	80	80	80	80	80	80	80
Share of other comprehensive income - GRFMA	-	-	-	-	-	-	-	-	-	-
Balance at end of period	**80**	**80**	**80**	**80**	**80**	**80**	**80**	**80**	**80**	**80**
TOTAL EQUITY AT END OF REPORTING PERIOD	**238,131**	**258,887**	**276,359**	**304,510**	**335,682**	**355,156**	**384,269**	**398,466**	**412,554**	**427,171**

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ADELAIDE PLAINS COUNCIL
LONG TERM STATEMENT OF CASH FLOWS FOR THE YEAR

$'000

	26/27 Year 1	27/28 Year 2	28/29 Year 3	29/30 Year 4	30/31 Year 5	31/32 Year 6	32/33 Year 7	33/34 Year 8	34/35 Year 9	35/36 Year 10
CASH FLOWS FROM OPERATING ACTIVITIES										
Receipts										
Rates - general & other	17,558	18,658	19,750	20,974	22,351	24,147	25,926	27,957	30,041	32,391
Fees & other charges	570	584	599	614	629	645	661	677	694	711
User charges	236	239	243	247	251	255	259	264	268	272
Investment receipts	14	14	14	14	14	14	14	14	14	14
Grants utilised for operating purposes	3,224	3,352	3,459	3,570	3,685	3,804	3,929	4,058	4,192	4,332
Reimbursements	91	91	91	91	91	91	91	91	91	91
Other revenues	253	2,253	2,754	3,254	3,254	3,254	2,008	255	255	256
Payments										
Employee costs	(8,273)	(8,890)	(9,589)	(10,326)	(11,104)	(11,923)	(12,787)	(13,697)	(14,656)	(15,665)
Materials, contracts & other expenses	(7,243)	(8,088)	(8,053)	(8,292)	(8,646)	(9,311)	(10,078)	(10,349)	(11,101)	(11,384)
Finance payments	(519)	(518)	(84)	(71)	(70)	(68)	(67)	(65)	(63)	(61)
Net Cash provided by (or used in) Operating Activities	**5,911**	**7,696**	**9,183**	**10,074**	**10,455**	**10,908**	**9,955**	**9,204**	**9,737**	**10,958**
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Grants specifically for new or upgraded assets	916	1,645	772	10,997	14,039	-	13,066	-	-	-
Sale of replaced assets	17	103	122	132	213	118	198	200	200	200
Payments										
Expenditure on renewal/replacement of assets	(2,784)	(3,688)	(4,032)	(5,000)	(6,131)	(4,403)	(5,724)	(6,318)	(8,011)	(6,454)
Expenditure on new/upgraded assets (funded by Rates)	(491)	(1,866)	(827)	(926)	(972)	(893)	(1,541)	(1,196)	(1,034)	(1,862)
Expenditure on new/upgraded assets (funded by Grants)	(916)	(1,701)	(772)	(10,997)	(14,039)	-	(13,066)	-	-	-
Net Cash provided by (or used in) Investing Activities	**(3,258)**	**(5,506)**	**(4,736)**	**(5,794)**	**(6,891)**	**(5,179)**	**(7,067)**	**(7,314)**	**(8,845)**	**(8,115)**
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Proceeds from New Borrowings	-	-	-	-	-	-	-	-	-	-
Payments										
Repayments of Borrowings	(2,653)	(2,209)	(341)	(32)	(33)	(35)	(36)	(38)	(39)	(1,391)
Net Cash provided by (or used in) Financing Activities	**(2,653)**	**(2,209)**	**(341)**	**(32)**	**(33)**	**(35)**	**(36)**	**(38)**	**(39)**	**(1,391)**
Net Increase (Decrease) in cash held	**0**	**(19)**	**4,106**	**4,249**	**3,532**	**5,695**	**2,852**	**1,853**	**852**	**1,451**
Cash & cash equivalents at beginning of period	296	296	277	4,382	8,631	12,161	17,857	20,709	22,562	23,414
Cash & cash equivalents at end of period	**296**	**277**	**4,382**	**8,631**	**12,161**	**17,857**	**20,709**	**22,562**	**23,414**	**24,865**

ADELAIDE PLAINS COUNCIL
LONG TERM UNIFORM PRESENTATION OF FINANCES FOR THE YEAR

$'000

	26/27 Year 1	27/28 Year 2	28/29 Year 3	29/30 Year 4	30/31 Year 5	31/32 Year 6	32/33 Year 7	33/34 Year 8	34/35 Year 9	35/36 Year 10
Income										
Rates	17,558	18,658	19,750	20,974	22,351	24,147	25,926	27,957	30,041	32,391
Statutory charges	570	584	599	614	629	645	661	677	694	711
User charges	236	239	243	247	251	255	259	264	268	272
Grants, subsidies and contributions - Operating	2,723	2,826	2,932	3,043	3,158	3,277	3,402	3,531	3,665	3,805
Grants, subsidies and contributions - Capital	500	527	527	527	527	527	527	527	527	527
Investment income	14	14	14	14	14	14	14	14	14	14
Reimbursements	91	91	91	91	91	91	91	91	91	91
Other income	253	2,253	2,754	3,254	3,254	3,254	2,008	255	255	256
	21,945	**25,192**	**26,910**	**28,763**	**30,275**	**32,211**	**32,887**	**33,316**	**35,556**	**38,068**
Expenses										
Employee costs	8,273	8,890	9,589	10,326	11,104	11,923	12,787	13,697	14,656	15,665
Materials, contracts & other expenses	7,243	8,088	8,053	8,292	8,646	9,311	10,078	10,349	11,101	11,384
Depreciation, amortisation & impairment	5,167	5,555	5,971	6,419	6,901	7,418	7,974	8,573	9,215	9,907
Finance costs	519	518	84	71	70	68	67	65	63	61
Share of loss - joint ventures & associates	249	79	79	79	79	79	79	79	79	79
	21,450	**23,129**	**23,777**	**25,186**	**26,799**	**28,799**	**30,985**	**32,763**	**35,114**	**37,096**
Operating Surplus / (Deficit)	**495**	**2,063**	**3,133**	**3,577**	**3,476**	**3,412**	**1,902**	**553**	**443**	**972**
Timing adjustment for grant revenue	-	-	-	-	-	-	-	-	-	-
Add : Roads to Recovery Funding	500	527	527	527	527	527	527	527	527	527
Less Grants, subsidies and contributions – Capital	(500)	(527)	(527)	(527)	(527)	(527)	(527)	(527)	(527)	(527)
Adjusted Operating Surplus (Deficit)	**495**	**2,063**	**3,133**	**3,577**	**3,476**	**3,412**	**1,902**	**553**	**443**	**972**
Net Outlays on Existing Assets										
Capital Expenditure on renewal and replacement of Existing Assets	2,784	3,688	4,032	5,000	6,131	4,403	5,724	6,318	8,011	6,454
Add back Depreciation, Amortisation and Impairment	(5,167)	(5,555)	(5,971)	(6,419)	(6,901)	(7,418)	(7,974)	(8,573)	(9,215)	(9,907)
Proceeds from Sale of Replaced Assets	(17)	(103)	(122)	(132)	(213)	(118)	(198)	(200)	(200)	(200)
	(2,400)	**(1,970)**	**(2,062)**	**(1,551)**	**(982)**	**(3,133)**	**(2,449)**	**(2,455)**	**(1,405)**	**(3,653)**
Net Outlays on New and Upgraded Assets										
Capital Expenditure on New and Upgraded Assets	1,407	3,567	1,599	11,924	15,012	893	14,607	1,196	1,034	1,862
Proceeds from Sale of Surplus Assets	-	-	-	-	-	-	-	-	-	-
Amounts received specifically for New and Upgraded Assets	(916)	(1,645)	(772)	(10,997)	(14,039)	-	(13,066)	-	-	-
	491	**1,922**	**827**	**926**	**972**	**893**	**1,541**	**1,196**	**1,034**	**1,862**
Annual Net Impact to Financing Activities (surplus/(deficit))	**2,404**	**2,111**	**4,368**	**4,202**	**3,486**	**5,651**	**2,810**	**1,812**	**813**	**2,764**

8.2 Long Term Financial Indicators

Council's Key Financial Indicators are primarily based on those included in the Model Financial Statements and recommended by the Local Government Association of South Australia (LGA) as appropriate for measuring financial sustainability in Local Government. These ratios provide the Local Government sector accepted approach to analysing and comparing Council's performance from year to year.

The following graphs provide a summary of Council's long term financial indicators.

➢ Operating Surplus/ (Deficit) Ratio

The Operating Surplus/ (Deficit) ratio expresses the operating results as a percentage of total operating income. Therefore, the Operating Surplus/(Deficit) Ratio indicates the extent to which operating revenue is sufficient to meet all operating expenses and whether current ratepayers are paying for their consumption of resources.

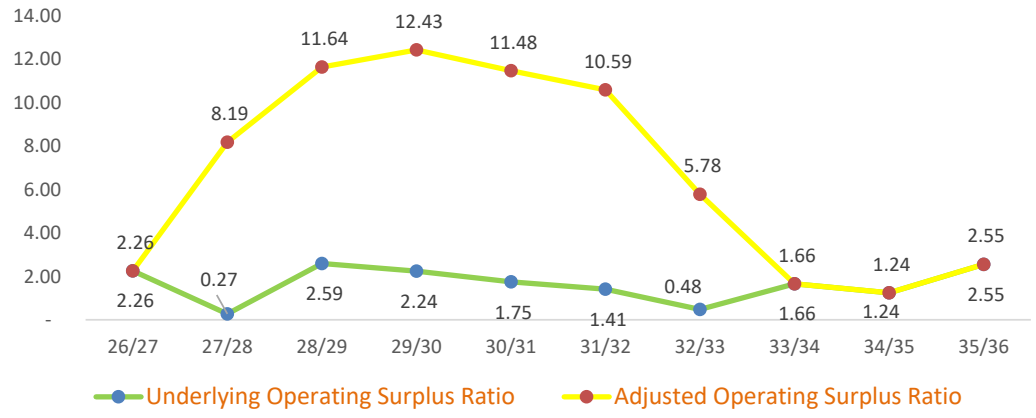
A negative ratio indicates the percentage increase in total operating income required to achieve a break-even operating result. A positive ratio indicates the percentage of total operating income available to fund capital expenditure over and above the level of depreciation expense without increasing council's level of net financial liabilities.

The Adjusted Operating Surplus Ratio, which includes proceeds from the sale of land associated with the Two Wells Town Centre development, is forecast to remain positive throughout the 10-year planning period, ranging from 1.24% to 12.43%.

The Underlying Operating Surplus Ratio, which excludes proceeds from the sale of land associated with the Two Wells Town Centre development, also forecasts positive operating surpluses over the life of the draft LTFP, ranging from 0.27% to 2.59%. This demonstrates that Council's ongoing operating revenues are expected to be sufficient to fund its day-to-day operating expenses, independent of land sale proceeds.

LGA Recommended Long-Term Range : Surplus ranging from 0% to 10% on average

Figure 3: Operating Surplus/Deficit Ratio



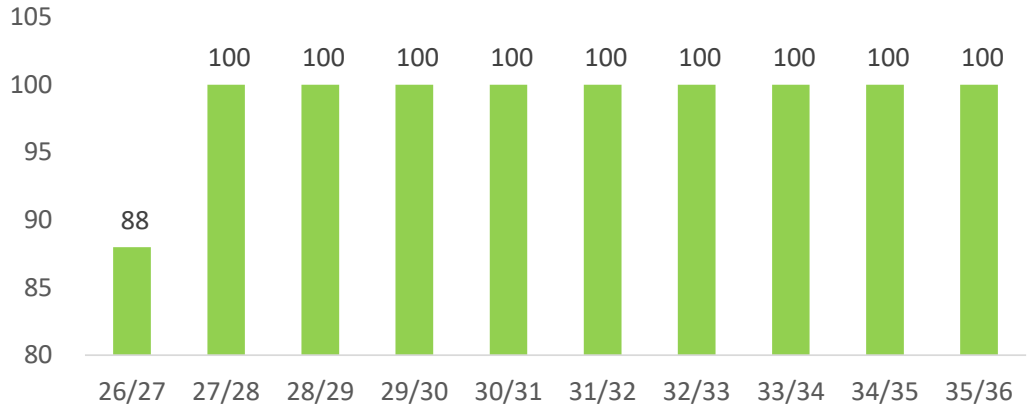
➢ Asset Renewal Funding Ratio (%)

This is a measure of the extent to which Council is renewing or replacing existing infrastructure assets that ensures consistent service delivery as determined by the draft Summary Asset Management Plan. This ratio simply measures if Council is performing the required work to replace/renew assets and maintain the level of service.

Council's infrastructure and asset management plans determine, for the given level of service, when assets need to be replaced to ensure that level of service is maintained. If Council is achieving close to 100% for this measure, then it is maintaining the current service levels delivered by assets and Council is not having assets renewal backlog.

LGA Recommended Long-Term Range : 80% to 120% on average over long term

Figure 4: Asset Renewal Funding Ratio (%)



Appropriate funding allocations have been made in the LTFP to ensure Council infrastructure assets are maintained in line with the infrastructure and asset management plans which will ensure that there won't be any significant infrastructure renewal backlog in to the future. However, the Asset Renewal Funding Ratio is projected to be below 100% in Year 1 due to the deferral of fleet vehicle replacements pending the completion of a review of Council's Motor Vehicle Policy.

➢ Net Financial Liabilities Ratio (%)

Net Financial Liabilities (NFL) is an indicator of Council's total indebtedness and includes all Council's obligations including provisions for employee entitlements and creditors.

This ratio measures the extent to which Council is managing its debt. It's a broader measure of debt than simply looking at borrowing levels. It highlights those borrowings are often an effective means of financial sustainability, rather than trying to fund all assets and services from operating income. The ratio expresses Council's NFL as a percentage of Council's total operating income.

A steady ratio means council is balancing the need to borrow against the affordability of debt. An excessive ratio means Council is borrowing beyond its means and can't generate

the income required to service assets and operations. The level of debt affects the amount of interest that Council pays which in turns affects the operating results of Council.

The Adjusted and Underlying Net Financial Liabilities Ratios are forecast to decline over the 10-year planning period, reflecting the strong cash position projected in the draft LTFP and the assumption that no new borrowings will be required:

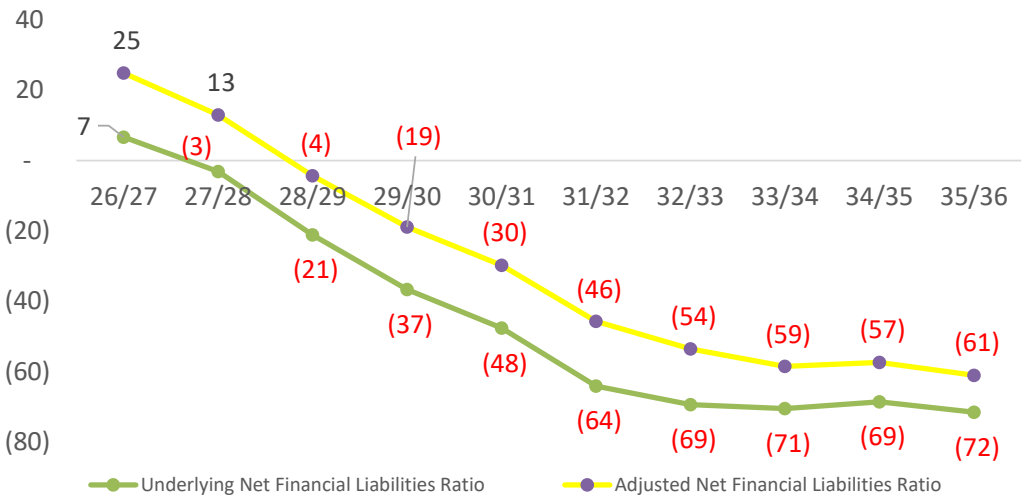
The draft LTFP forecasts a cash balance of approximately $25m by Year 10. This outcome is primarily attributable to the following factors:

a) Council has not yet determined how the proceeds from the sale of land associated with the Two Wells Town Centre development will be utilised or invested. Accordingly, these proceeds remain reflected in Council's forecast cash balances.
b) Over the 10-year period, cumulative depreciation expense is forecast to total approximately $73m, largely due to the significant value of donated assets (approximately $61m) expected to be transferred to Council through new developments. In contrast, cumulative asset renewal expenditure is forecast at approximately $53m, as these newly donated, long-life assets are not expected to require renewal within the life of the draft LTFP. This results in depreciation exceeding renewal expenditure, contributing to the accumulation of cash reserves.

Accordingly, if Council is successful in securing grant funding for the three major capital programs identified in Section 7.3 above, it has the financial capacity to provide the required co-contribution to support project delivery.

LGA Recommended Long-Term Range : 0% to 100% on average over long term

Figure 5: Net Financial Liabilities Ratio (%)



6.3 UPDATE - ANNUAL WORK PROGRAM 2025/2026

Record Number: **D26/34489**

Author: **Accountant**

Authoriser: **Chief Financial Officer**

Attachments: **1. Annual Work Program 2025/2026** ⇩

EXECUTIVE SUMMARY

- The purpose of this report is to provide the Audit and Risk Committee (the Committee) with the progress update on the activities identified in the Committee's Annual Work Program for 2025/2026 financial year.

RECOMMENDATION

"that Audit & risk Committee, having considered Item 6.3 – *Update - Annual Work Program 2025/2026*, dated 12 August 2026, notes the report and in doing so recommends to Council that it acknowledge the progress made to complete the activities identified for Audit and Risk Committee during 2025/2026 Financial Year."

BUDGET IMPACT

Estimated Cost:	Not Applicable
Future ongoing operating costs:	Not Applicable
Is this Budgeted?	Not applicable

RISK ASSESSMENT

The Committee must ensure the Annual Work Program addresses the statutory obligations and focuses on the adequacy of Councils' systems and practices with respect to risk management, financial reporting, the internal control environment and other financial management systems. The ongoing monitoring of the Annual Work Program assists minimisation of exposure to associated risks allowing for adequate resourcing for mitigation strategies by Council.

DETAILED REPORT

Purpose

The purpose of this report is to provide the Audit and Risk Committee (the Committee) with the progress update on the activities identified in the Committee's Works Program for 2025/2026 financial year.

Background

At its meeting on 11 August 2025, the Committee adopted the work program for 2025/2026 financial year:

> ***COMMITTEE RESOLUTION 2025/54***
>
> ***Moved: Mr Scargill***
> ***Seconded: Mr Fairlie-Jones***
>
> ***"that Audit and Risk Committee, having considered Item 6.2 – Draft - Annual Work Program - 2025/2026 Financial Year, dated 11 August 2025, notes the report and in doing so adopts draft 2025/2026 Audit and Risk Committee Work Program subject to following change:***
> ***1. correct alignment of dates to financial year."***
>
> ***CARRIED***

Discussion

To ensure the requirements of the *Local Government Act 1999* and the Committee's Terms of Reference are fulfilled, a Work Program is developed each year.

A regular update on the 2025/2026 Work Program is presented to assist the Committee in monitoring their planned activities and **Attachment 1** shows progress to date.:

<u>11 August 2025 meeting</u>

- Decision Reports
    1. Update - Audit & Risk Committee Annual Works Program 2024/2025
    2. Draft Annual Works Program for 2025/2026 Financial Year
    3. New Policy review – Travel & Hospitality Expenditure
    4. Review - Risk Management Framework
- Information Reports
    1. Overdue Council Rates as at 30 June 2025
    2. Gawler River Floodplain management Authority – Half Yearly Update
    3. Procurement Policy Exemptions – January to June 2025
    4. Update – Committee Resolutions
    5. Credit Card Expenditure for the period 1 January to 30 June 2025
    6. Review – Council Investments & Borrowings – 2025/2026
    7. Leave Liability as of 30 June 2025
    8. Update – Council Policy Reviews
- Confidential Reports
    1. Two Wells Town Centre – Land Facilitation Agreement Update
    2. Two Wells Town Centre Tenancy Variation Stage 1
    3. Fleet Vehicle Review
    4. Summary of Procurement Activities – January to June 2025

12 November 2025 meeting

- Decision Reports
  1. Update - Audit & Risk Committee Annual Works Program 2025/2026
  2. Draft Audited Financial Statements 2024/2025
  3. Annual Report 2024/2025 – Audit & Risk Committee
  4. Policy & Procedure reviews:
     - Financial Hardship and Procedure
     - Rates Arrears and Debtor Management
     - Internal Financial Control
     - Treasury Management
- Information Reports
  1. CEO Report – Internal Control Practices & Procedures
  2. Review - Audited Financial Results 2024/2025 against Adopted Budget
  3. Outstanding Committee Resolutions
  4. Update - Council Policies Reviews
  5. Risk Appetite Statement
- Confidential Reports
  1. Appointment of External Auditors for 2025/2026 to 2027/2028 Financial Years
  2. Annual Review of Council's Insurance Program 2025/2026

9 February 2026 meeting

- Decision Reports
  1. 2026/2027 Annual Business Plan, Budget and 2027-2036 Long Term Financial Plan Development Framework
  2. Ordinary Meeting Schedule 2026
  3. Update - Audit & Risk Committee Annual Works Program 2025/2026
- Information Reports
  1. Procurement Policy Exemptions – July to December 2025
  2. Fixed Assets Revaluation as of 1 July 2025
  3. Update – Committee Resolutions
  4. Credit Card Expenditure for the period 1 July to 31 December 2025
  5. CEO Report – Internal Control Practices & Procedures
  6. Financial Performance for the period July 2025 to January 2026
  7. Update – Council Policy Review
  8. Direct Debit Payment System for Council Rates
- Confidential Reports
  1. Summary of Procurement Activities – July to December 2025

1 April 2026 meeting

- Decision Reports
  1. Options for Establishing Internal Audit Function for the Adelaide Plains Council
  2. Update - Annual Work Program 2025/2026
  3. Draft 2026/2027 Budget and 2027-2036 Long Term Financial Plan
  4. Policy Review of Prudential Management Policy & Procedure
  5. Policy Review of Council Members Acceptable Use of Information Technology
  6. New Policy - Use of Artificial Intelligence
  7. Two Wells CWMS – Concept Design

- Information Reports
    1. Update – Committee Resolutions
    2. Annual Business Plan Implementation of Actions Progress Update
    3. 2025/2026 Quarterly Budget Reviews
    4. Risk Management Update
    5. Update – Council Policy Reviews
- Confidential Reports
    1. Information Technology Update
    2. Two Wells Town Centre – Late payment extension request

3 June 2026 meeting

- Decision Reports
    1. Update - Annual Work Program 2025/2026
    2. Draft 2026/2027 Annual Business Plan & Budget
    3. Policy Review - Infrastructure, Property, Plant & Equipment Accounting Policy
    4. Policy Review - Funding Policy
    5. Review of Audit & Risk Committee Terms of Reference
- Information Reports
    1. Update – Committee Resolutions
    2. Self-Assessment – Internal Financial Controls
    3. Councils State of Readiness/Compliance for second ESCOSA Review
    4. Update of the Infrastructure and Assets Management Plan and Long-Term Financial Plan
    5. 2025/2026 Quarterly Budget Reviews
    6. Risk Management Update
    7. Update – Council Policy Reviews
    8. Review of Payble Procurement Process
- Confidential Reports
    1. Council Aged Units Update – Walara Proposal

The agenda for the 12 August 2026 meeting contains following reports:

- Decision Reports
    1. Update - Annual Work Program 2025/2026
    2. Draft Audit & Risk Committee Annual Works Program 2026-2027
    3. Infrastructure and Asset Management Plan
    4. Draft Long Term Financial Plan 2027-2036
- Information Reports
    1. Work Plan - Independent Procurement Review
    2. 2025/2026 - Interim Audit
    3. Update - Leave Liability as at 30 June 2026
    4. Update - Overdue Council Rates as at 30 June 2026
    5. Update - Council Policy Reviews
    6. Update - Risk Management Framework
    7. Update - Committee Resolutions
    8. Review of Council's Investments and Borrowings
    9. Procurement Policy Exemptions - January to June 2026
    10. Credit Card Expenditure - 1 January 2026 to 30 June 2026

- Confidential Reports
    1. Information Technology Update

Conclusion

This is the 6th and final progress update report since the adoption of the 2025/2026 Annual Works Program.

References

Legislation

Local Government Act 1999
Local Government (Financial Management) Regulations 2011

Council Policies/Plans

Audit and Risk Committee Terms of Reference
Audit and Risk Committee Annual Works Program 2025-2026

Audit & Risk Committee Annual Work Program 2025/2026 – 12 August 2026 Update

Activity	Target Meeting	Current Status/Outcome	Date Completed
1. Financial Reporting - LGA Act 1999 – Section 126(4)(a)			
1.1 Review Council's Annual Financial Statements, the application of Australian Accounting Standards and Council's policies with Council Management and the external auditor and provide a recommendation to the Council on whether Annual Financial Statements present a true and fair view of the Council's financial position at year end and the results of its operations and cash flows for the financial year.			
▪ Review of draft audited financial statements	November 2025	Report presented to 12 November 2025 meeting. Please refer to the report titled '*Draft Audited Financial Statements 2024/2025*'	12/11/2025
▪ Review of assets revaluation results – methodology, unit rates, expired assets and the depreciation impact on the annual budget and Long-Term Financial Plan	February 2026	Report presented to 9 February 2026 meeting. Please refer to the report titled '*Fixed Assets Revaluation as of 1 July 2025'*	9/2/2026
1.2 Review and make recommendations to the Council regarding any other significant financial, accounting and reporting issues as deemed necessary by the Audit & Risk Committee, the Council or Council Administration.			
▪ Impact on new accounting standards/changes to existing standards on Council's operations	Ongoing		
▪ Accounting of significant income, expenses, assets and liabilities	Ongoing	Reports presented to 9 February meeting. Please refer to the reports titled '*Procurement Policy Exemptions – July to December 2026' & 'Summary of Procurement Activities – July to December 2025'* Report titled '*Procurement Policy Exemptions – January – June 2026*' is included in the agenda of 12 August 2026 meeting	9/2/2026 12/8/2026

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Audit & Risk Committee Annual Work Program 2025/2026 – 12 August 2026 Update

1.3 Consider and provide comment on the financial and risk related issues associated with any Council business referred to it by the Council for such comment.			
▪ Financial and risk relates issues associated with GRFMA flood mitigation work	Ongoing		
2. Strategic Management and Annual Business Plans - LGA Act 1999 – Section 126(4)(b)			
2.1 Review and provide recommendations/comment on Council's Strategic Management Plan, LTFP, Annual Business Plan and Infrastructure & Asset Management Plans.			
▪ Review of strategic management plan (SMP)	Ongoing		
▪ Review of infrastructure & assets management plan (I&AMP)	June 2026	In progress. Presentation was made to the Council on 27 October 2025. The I&E Committee considered a report on current and proposed service levels at its meeting on 19 March 2026 and referred the service levels to Council for consideration. Report presented to the 1 April meeting. Please refer to the report titled '*Draft 2026/2027 Budget and 2027–2036 Long Term Financial Plan'.* Report presented to the 3 June meeting. Please refer to the report titled '*Update of the Infrastructure and Assets Management Plan and Long Term Financial Plan'.*	1/4/2026 1/4/2026 3/6/2026 12/08/2026

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Audit & Risk Committee Annual Work Program 2025/2026 – 12 August 2026 Update

		Report titled 'Infrastructure and *Asset Management Plan*' is included in the agenda of 12 August 2026 meeting	
▪ Review of Long-Term Financial Plan (LTFP)	February 2026	Report presented to 9 February 2026 meeting.	9/2/2026
▪ Annual Business Plan (ABP) & Budget	April 2026 June 2026	Please refer to the report titled *'2026/2027 Annual Business Plan, Budget and 2027-2036 Long Term Financial Plan Development Framework'*. Report presented to the 1 April meeting. Please refer to the report titled *'Draft 2026/2027 Budget and 2027–2036 Long Term Financial Plan'*. Report presented to 3 June 2026 meeting. Please refer to the report titled *'Draft 2026/2027 Annual Business Plan & Budget*. Reports titled '*Draft Long Term Financial Plan 2027-2036*" is included in the agenda of 12 August 2026 meeting	1/4/2026 3/6/2026 12/08/2026
2.2 Monitor and review the effective delivery of these plans.			
▪ Progress update on strategic management plan initiatives	Ongoing	Report presented to the 1 April meeting. Please refer to the report titled 'Annual Business Plan Implementation of Actions Progress Update'.	1/4/26
▪ Progress update on infrastructure & assets management plan implementation			
▪ Progress update on the achievement of LTFP targets			

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Audit & Risk Committee Annual Work Program 2025/2026 – 12 August 2026 Update

2.3 Review and make recommendations to the Council regarding the assumptions, financial ratios and financial targets in the Long-Term Financial Plan.	February 2026 April 2026 June 2026	Report presented to 9 February 2026 meeting. Please refer to the report titled *'2026/2027 Annual Business Plan, Budget and 2027-2036 Long Term Financial Plan Development Framework'*. Report presented to the 1 April meeting. Please refer to the report titled *'Draft 2026/2027 Budget and 2027–2036 Long Term Financial Plan'*. Report presented to 3 June 2026 meeting. Please refer to the report titled *'Draft 2026/2027 Annual Business Plan & Budget*.	9/2/2026 1/4/2026 3/6/2026
2.4 Provide commentary and advice on the financial sustainability of the Council and any risks in relation to, as part of the adoption of the Long-Term Financial Plan, Annual Budget and periodic Budget Reviews.	April & June 2026	Report presented to the 1 April meeting. Please refer to the report titled *'Draft 2026/2027 Budget and 2027–2036 Long Term Financial Plan'*. Report presented to 3 June 2026 meeting. Please refer to the report titled *'Draft 2026/2027 Annual Business Plan & Budget*.	1/4/2026 3/6/2026
3. Continuous improvement - LGA Act 1999 – Section 126(4)(c)			
3.1 Monitoring the responsiveness of the Council to recommendations for improvement based on previous audits and risk assessments, including those raised by a council's external auditor.	November 2025 April 2026	Report presented to 12 November 2025 meeting. Please refer to the report titled '*Draft Audited Financial Statements 2024/2025*'	12/11/2025

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Audit & Risk Committee Annual Work Program 2025/2026 – 12 August 2026 Update

4. Exercise of Powers under Section 130A - LGA Act 1999 – Section 126(4)(d)			
4.1 Determine whether a recommendation to the Council is required to request its auditor or some other person to examine and report on any matter considered significant relating to financial management or the efficiency and economy of the management of Council's resources that would not be addressed or included as part of the annual audit.	Ongoing	At the meeting held on 9 February, the Committee recommended to the Council to '*commission an independent review into the procurement of the Payable Direct Debit System'.* At the 18 March meeting, the Council appointed Morris Forensic to undertake the review. Report from Morris Forensic is presented to 3 June 2026 meeting. Report titled '*Work Plan - Independent Procurement Review*' is included in the agenda of 12 August 2026 meeting	9/2/2026 3/6/2026 12/08/2026
5. Liaising with External Auditor - LGA Act 1999 – Section 126(4)(e)			
5.1 Consider and recommend to the Council on the appointment of an external auditor including the terms of engagement and fees of the external auditor at the start of each audit contract.	November 2025	Report presented to 12 November 2025 meeting. Please refer to the report titled '*Appointment of External Auditor*'	12/11/2025
5.2 Make recommendation to the Council on the scope of work, reports and activities of the external auditor.	November 2025	Report presented to 12 November 2025 meeting. Please refer to the report titled '*Draft Audited Financial Statements 2024/2025*'	12/11/2025
5.3 Ensure compliance with regulation 22 (1) of the *Local Government (Financial Management) Regulations 2011* which prevent a Council from engaging its auditor to	November 2025	Report presented to 12 November 2025 meeting. Please refer to the report titled '*Draft Audited Financial Statements 2024/2025 - Auditor's Independence Declaration'*	12/11/2025

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Audit & Risk Committee Annual Work Program 2025/2026 – 12 August 2026 Update

provide any services to the Council outside the scope of the auditor's functions under the Local Government Act.			
5.4 Review the findings of the annual and interim audits with the external auditor.	November 2025 April 2026	Report presented to 12 November 2025 meeting. Please refer to the report titled '*Draft Audited Financial Statements 2024/2025*'. The interim audit visit was undertaken between 11 and 12 May 2026. The interim audit report will be presented at the Audit and Risk Committee meeting scheduled for 5 August 2026. Report titled '*2025/2026 - Interim Audit*' is included in the agenda of 12 August 2026 meeting	12/11/2025 12/08/2026
5.5 Meet with the external auditor at least annually without the Council administration being present to enable discussion of any issues arising out of the external audit program during the year: ▪ assess the appropriateness of the Council's response to matters raised by the auditors; ▪ discuss any qualifications raised in the most recent audit or comments made in the accompanying management letter; ▪ assess the appropriateness of the Council's response to matters so raised.	November 2025	Meeting occurred at the 12 November 2025. Please refer to the report titled *'In Camera Meeting - External Auditors'*	12/11/2025
6. Internal Controls - LGA Act 1999 – Section 126(4)(f)			

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Audit & Risk Committee Annual Work Program 2025/2026 – 12 August 2026 Update

6.1 Reviewing the adequacy of the accounting, internal control, reporting and other financial management systems and practices of the council on a regular basis.	November 2025	Report presented to 12 November 2025 meeting. Please refer to the report titled '*Draft Audited Financial Statements 2024/2025*'	12/11/2025
6.2 Review of self-assessment of internal financial controls.	June 2026	Report presented to 3 June 2026 meeting. Please refer to the report titled '*Self-Assessment – Internal financial Controls*'.	3/6/2026
7. Review of Chief Executive Officer Internal Controls Report - LGA Act 1999 – Section 126(4)(g) (ii)			
7.1 Reviewing and commenting on an annual report provided by the CEO in relation to the policies and processes adopted by the council to evaluate and improve the effectiveness of its internal control practices and procedures.	November 2026	Report presented to 12 November 2025 and 9 February 2026 meetings. Please refer to the report titled '*CEO Report - Internal Control Practices & Procedures*'	12/11/2025 9/2/2026
8. Review of strategic, financial and operational risks - LGA Act 1999 – Section 126(4)(h)			
8.1 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.	Ongoing	Report presented to 11 August 2025. Please refer to the report titled *'Review - Risk Management Framework'* Report presented to 12 November 2025. Please refer to the report titled *'Risk Appetite Statement'* Report titled '*Update - Risk Management Framework*' is included in the agenda of 12 August 2026 meeting	11/8/2025 12/11/2025 12/08/2026
8.2 Annually review Council's insurance program for adequacy having regard to business and insurable risks associated with Council's business.	November 2025	Report presented to 12 November 2025. Please refer to the report titled *'Annual Review Council's Insurance Program - 2025/2026'*	12/11/2025

ıl: D26/21791

Audit & Risk Committee Annual Work Program 2025/2026 – 12 August 2026 Update

8.3 Two Wells Town Centre Project Risk be reassessed throughout the life of the project	Ongoing	Report presented to the 1 April meeting. Please refer to the report titled '*Two Wells Town Centre – Late Payment Extension Request*'.	1/4/2026
8.4 Review Strategic Risk register	November 2026	Council has already engaged an external consultant to develop the Strategic Risk Register, with work currently underway in consultation with the identified strategic risk owners. This process is intended to ensure that risk owners have a thorough understanding of the risk content, associated controls and control owners, risk treatment plans, and their individual responsibilities in relation to ongoing review and reporting to the Audit and Risk Committee. Report titled '*Update - Risk Management Framework*' is included in the agenda of 12 August 2026 meeting	 12/08/2026
8.5 Review Operational Risk Register	November 2026	This is awaiting stage 2 implementation and assistance from LGRS which can only start following the successful completion of stage 1 being the development of Strategic Risk Register	
8.6 Review management of Risk Management Policy and Framework	June 2026	Report presented to the 10 June meeting. Please refer to the report titled '*Policy review – Risk Management Policy*'. Report presented to the 11 August meeting. Please refer to the report titled '*Review – Risk Management Framework*'.	10/6/2025 11/8/2025
8.7 Review results of audits and review conducted by Local Government Mutual Liability Scheme	Ongoing	Currently works with LGRS and an external consultant to improve risk maturity and develop	

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Audit & Risk Committee Annual Work Program 2025/2026 – 12 August 2026 Update

		Strategic Risk Register in line with the results of the audit conducted in March 2025	
9. Reviewing any report obtained by the council under section 48(1) - LGA Act 1999 – Section 126 (4) (i)			
9.1 Prudential issues associated with GRFMA flood mitigation works.	Ongoing		
9.2 Review any other report obtained by the Council under section 48(1) of the LGA Act 1999	Ongoing		
10.Performing any other function determined by the council or prescribed by the regulations - LGA Act 1999 – Section 126 (4) (j)			
10.1 Monitor and review the governance arrangements for Council's subsidiaries and provide advice on the effectiveness of such arrangements as they pertain to financial and other risk exposures to Council.	Ongoing		
11. Public Disclosure Act 2018			
11.1 Review and comment on the adequacy of Council's arrangements for its employees to raise concerns, in confidence, about possible wrongdoing in financial reporting or any other matters.	Ongoing		
11.2 Ensure these arrangements allow independent investigation of such matters and appropriate follow up action.	Ongoing		
12. Governance matters			
12.1 Review the currency of all policies of the Council.	Ongoing	Report provided to every meeting	
12.2 Periodic review of finance-related policies.	Ongoing	4 policies were presented for review on 12 November 2025 1 policy was presented for review on the 9 February 2026	12/11/2025 9/2/2026

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		2 policies were presented on the 3 June 2026 meeting	3/6/2026
12.3 Legislative compliance review.	Ongoing	The LGA model for legislative compliance would be a suitable framework for Council to adopt. A report will be presented to a future Committee meeting A Legislative Compliance Support Register has been drafted. Review postponed due competing priorities and lack of capacity	
13.Other Functions			
13.1 Risk Management of Major Projects.	Ongoing		
13.2 Review of Council's Investments and Borrowings.	August 2026		
13.3 Review of overdue Council rates.	February & August 2026	Report presented to 9 February 2026 meeting. Please refer to the report titled *'Financial Performance For the Period July 2025 to January 2026'*	9/2/2026
13.4 Review of Council's leave liability.	February & August 2026	Report presented to 9 February 2026. Please refer to the report titled *'Financial Performance For the Period July 2025 to January 2026'* Report titled 'Update - Leave Liability as at 30 June 2026' is included in the agenda of 12 August 2026 meeting	9/2/2026 12/08/2026
13.5 Review Information Technology updates.	February & August 2026	Report presented to 1 April 2026 meeting. Please refer to the report title *'Information Technology Update'*	1/4/2026 12/08/2026

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		Report titled '*Information Technology Update*' is included in the agenda of 12 August 2026 meeting	
13.6 Annual Review of Audit & Risk Committee Terms of Reference.	June 2026	Report presented to 3 June 2026 meeting. Please refer to the report title *'Review – Audit & Risks Committee Terms of Reference'*	3/6/2026
13.7 Quarterly budget reviews	February, April & June 2026	Report presented to 9 February 2026 meeting. Please refer to the report titled '*Financial Performance For the Period July 2025 to January 2026*' Report presented to 1 April 2026 meeting. Please refer to the report titled '*2025/2026 Quarterly Budget Reviews*' Report presented to 3 June 2026 meeting. Please refer to the report titled '*2025/2026 Quarterly Budget Reviews*'.	9/2/2026 1/4/2026 3/6/2026
14.Reporting			
14.1 Ensure progress of the outstanding Audit & Risk Committee resolutions are followed up regularly.	Ongoing	Report provided to every meeting. Please refer to the report titled '*Update - Committee Resolutions'*	
14.2 Ensure that significant, urgent matters identified through the work program are formally and promptly reported to Council.	Ongoing		
14.3 Report to the Council after each Audit & Risk Committee meeting summarising the work of the committee during the period preceding the meeting and the outcomes of the meeting	Ongoing	Report provided to the Council meeting immediately after the Audit & Risk Committee meeting in consultation with the Chair of the Committee	

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Audit & Risk Committee Annual Work Program 2025/2026 – 12 August 2026 Update

14.4 Provide an annual report to the council on the work of the committee during the period to which the report relates; ▪ outlining outputs relative to the Audit & Risk Committee's Annual Work Program and the results of a self-assessment of performance for the preceding period including whether it believes any changes to its Terms of Reference are appropriate; ▪ outlining any identified training needs; ▪ Audit & Risk Committee Self-Assessment Survey ▪ advise on future work program proposals; and invite comment from the Council on all of the above.	November 2025	Report presented to 12 November 2025. Please refer to the report titled *'Annual Report 2024/2025 - Audit & Risk Committee''*	12/11/2025

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6.4 DRAFT - ANNUAL WORK PROGRAM 2026/2027

Record Number: **D26/36435**

Author: **Chief Financial Officer**

Authoriser: **Chief Executive Officer**

Attachments: **1. Draft - Annual Work Program 2026/2027** ⇩

EXECUTIVE SUMMARY

- The purpose of this report is to provide the Audit and Risk Committee (the Committee) with the draft Work Program for the year ending 30 June 2027 for review and comment by the Committee members before being implemented by the Council administration.
- It reflects the yearly activities of the Council as required under section 126 of the *Local Government Act 1999* and the Committee's Terms of Reference.

RECOMMENDATION

"that Audit and Risk Committee, having considered Item 6.4 – *Draft - Annual Work Program 2026/2027*, dated 12 August 2026, notes the report and in doing so adopts draft 2026/2027 Audit and Risk Committee Work Program subject to following changes:

1……

2……."

BUDGET IMPACT

Estimated Cost:	Not Applicable
Future ongoing operating costs:	Not Applicable
Is this Budgeted?	Not applicable

RISK ASSESSMENT

The Committee must ensure the Annual Work Program addresses the statutory obligations and focuses on the adequacy of the Councils' systems and practices with respect to risk management, financial reporting, the internal control environment and other financial management systems. The ongoing monitoring of the Annual Work Program aids minimisation of exposure to associated risks allowing for adequate resourcing of mitigation strategies by the Council.

DETAILED REPORT

Purpose

The purpose of this report is to provide the Audit and Risk Committee (the Committee) with the Draft Work Program for the year ended 30 June 2027 for review and comment by the members before being implemented by the staff during 2026/2027 Financial Year.

Background

Pursuant to section 126 (4) of the *Local Government Act 1999* and as detailed under clause 2.1 of the Committee's *Terms of Reference*, the Committee is responsible for following functions:

a. reviewing annual financial statements to ensure that they present fairly the state of affairs of the council; and

b. proposing, and providing information relevant to, a review of the council's strategic management plans or annual business plan; and

c. 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; and

d. proposing, and reviewing, the exercise of powers under section 130A; and

e. liaising with the council's auditor in accordance with any requirements prescribed by the regulations; and

f. reviewing the adequacy of the accounting, internal control, reporting and other financial management systems and practices of the council on a regular basis; and

g. —

i. if the council has an internal audit function—

(A) providing oversight of planning and scoping of the internal audit work plan; and
(B) reviewing and commenting on reports provided by the person primarily responsible for the internal audit function at least on a quarterly basis; or

ii. if the council does not have an internal audit function, reviewing and commenting on an annual report provided by the chief executive officer in relation to the policies and processes adopted by the council to evaluate and improve the effectiveness of its internal control practices and procedures; and

h. 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; and

i. reviewing any report obtained by the council under section 48(1); and

j. performing any other function determined by the council or prescribed by the regulations.

Discussion

To ensure that the requirements of the *Local Government Act 1999* and the Terms of Reference of the Committee are fulfilled, it must develop a Work Program each year. A draft Work Program for 2026/2027, based on above requirements is contained in **Attachment 1**. The Committee can either endorse the Work Program or amend the document as appropriate.

Conclusion

Adoption of the work program for 2026/2027 Financial Year allows the members of the Committee to monitor their activities in a formal way while providing a clear reporting framework to Council administration to support the activities of the Committee for 2026/2027 financial year.

References

Legislation

Local Government Act 1999.
Local Government (Financial Management) Regulations 2011

Council Policies/Plans

Audit & Risk Committee Terms of Reference
LGA Financial Sustainability Information Paper 3 - Audit & Risk Committees

Draft Audit & Risk Committee Annual Work Program 2026/2027

Activity	Target Meeting	Current Status/Outcome	Date Completed
1. Financial Reporting - LGA Act 1999 – Section 126(4)(a)			
1.1 Review Council's Annual Financial Statements, the application of Australian Accounting Standards and Council's policies with Council Management and the external auditor and provide a recommendation to the Council on whether Annual Financial Statements present a true and fair view of the Council's financial position at year end and the results of its operations and cash flows for the financial year.			
▪ Review of draft audited financial statements	November 2026		
▪ Review of assets revaluation results – methodology, unit rates, expired assets and the depreciation impact on the annual budget and Long-Term Financial Plan	February 2027		
1.2 Review and make recommendations to the Council regarding any other significant financial, accounting and reporting issues as deemed necessary by the Audit & Risk Committee, the Council or Council Administration.			
▪ Impact on new accounting standards/changes to existing standards on Council's operations	Ongoing		
▪ Accounting of significant income, expenses, assets and liabilities	Ongoing		
1.3 Consider and provide comment on the financial and risk related issues associated with any Council business referred to it by the Council for such comment.			
▪ Financial and risk relates issues associated with GRFMA flood mitigation work	Ongoing		
2. Strategic Management and Annual Business Plans - LGA Act 1999 – Section 126(4)(b)			
2.1 Review and provide recommendations/comment on Council's Strategic Management Plan, LTFP, Annual Business Plan and Infrastructure & Asset Management Plans.			
▪ Review of strategic management plan (SMP)	Ongoing		

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Draft Audit & Risk Committee Annual Work Program 2026/2027

▪ Review of infrastructure & assets management plan (I&AMP)	August 2026 August 2027		
▪ Review of Long-Term Financial Plan (LTFP)	August 2026		
▪ Annual Business Plan (ABP) & Budget	February 2027 April 2027 June 2027		
2.2 Monitor and review the effective delivery of these plans.			
▪ Progress update on strategic management plan initiatives	Ongoing		
▪ Progress update on infrastructure & assets management plan implementation			
▪ Progress update on the achievement of LTFP targets			
2.3 Review and make recommendations to the Council regarding the assumptions, financial ratios and financial targets in the Long-Term Financial Plan.	August 2026 February 2027 April 2027 June 2027		
2.4 Provide commentary and advice on the financial sustainability of the Council and any risks in relation to, as part of the adoption of the Long-Term Financial Plan, Annual Budget and periodic Budget Reviews.	August 2026 February 2027 April 2027 June 2027		
3. Continuous improvement - LGA Act 1999 – Section 126(4)(c)			
3.1 Monitoring the responsiveness of the Council to recommendations for improvement based on previous audits and risk assessments, including those raised by a council's external auditor.	November 2026 April 2027		
4. Exercise of Powers under Section 130A - LGA Act 1999 – Section 126(4)(d)			

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Draft Audit & Risk Committee Annual Work Program 2026/2027

4.1 Determine whether a recommendation to the Council is required to request its auditor or some other person to examine and report on any matter considered significant relating to financial management or the efficiency and economy of the management of Council's resources that would not be addressed or included as part of the annual audit.	Ongoing		
5. Liaising with External Auditor - LGA Act 1999 – Section 126(4)(e)			
5.1 Consider and recommend to the Council on the appointment of an external auditor including the terms of engagement and fees of the external auditor at the start of each audit contract.	November 2026		
5.2 Make recommendation to the Council on the scope of work, reports and activities of the external auditor.	November 2026		
5.3 Ensure compliance with regulation 22 (1) of the *Local Government (Financial Management) Regulations 2011* which prevent a Council from engaging its auditor to provide any services to the Council outside the scope of the auditor's functions under the Local Government Act.	November 2026		
5.4 Review the findings of the annual and interim audits with the external auditor.	November 2026 April 2027		
5.5 Meet with the external auditor at least annually without the Council administration being present to enable discussion of any issues arising out of the external audit program during the year:	November 2026		

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Draft Audit & Risk Committee Annual Work Program 2026/2027

▪ assess the appropriateness of the Council's response to matters raised by the auditors; ▪ discuss any qualifications raised in the most recent audit or comments made in the accompanying management letter; ▪ assess the appropriateness of the Council's response to matters so raised.			
6. Internal Controls - LGA Act 1999 – Section 126(4)(f)			
6.1 Reviewing the adequacy of the accounting, internal control, reporting and other financial management systems and practices of the council on a regular basis.	November 2026		
6.2 Review of self-assessment of internal financial controls.	June 2027		
7. Review of Chief Executive Officer Internal Controls Report - LGA Act 1999 – Section 126(4)(g) (ii)			
7.1 Reviewing and commenting on an annual report provided by the CEO in relation to the policies and processes adopted by the council to evaluate and improve the effectiveness of its internal control practices and procedures.	November 2026		
7.2 Make recommendation to the Council regarding the appointment of the internal auditor	November 2026		
7.3 Review Internal Audit Reports.	April 2027		
8. Review of strategic, financial and operational risks - LGA Act 1999 – Section 126(4)(h)			
8.1 Reviewing and evaluating the effectiveness of policies, systems and procedures established and maintained for the identification, assessment, monitoring, management	Ongoing		

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and review of strategic, financial and operational risks on a regular basis.			
8.2 Annually review Council's insurance program for adequacy having regard to business and insurable risks associated with Council's business.	November 2026		
8.3 Two Wells Town Centre Project Risk be reassessed throughout the life of the project	Ongoing		
8.4 Review Strategic Risk register	August 2026 and annually ongoing		
8.5 Review Operational Risk Register	June 2027		
8.6 Review management of Risk Management Policy	June 2027		
8.7 Review management of Risk Management Framework	August 2027		
8.8 Review results of audits and review conducted by Local Government Mutual Liability Scheme	Ongoing		
9. Reviewing any report obtained by the council under section 48(1) - LGA Act 1999 – Section 126 (4) (i)			
9.1 Prudential issues associated with GRFMA flood mitigation works.	Ongoing		
9.2 Review any other report obtained by the Council under section 48(1) of the LGA Act 1999	Ongoing		
10.Performing any other function determined by the council or prescribed by the regulations - LGA Act 1999 – Section 126 (4) (j)			
10.1 Monitor and review the governance arrangements for Council's subsidiaries and provide advice on the effectiveness of such arrangements as they pertain to financial and other risk exposures to Council.	Ongoing		
11. Public Disclosure Act 2018			

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Draft Audit & Risk Committee Annual Work Program 2026/2027

11.1 Review and comment on the adequacy of Council's arrangements for its employees to raise concerns, in confidence, about possible wrongdoing in financial reporting or any other matters.	Ongoing		
11.2 Ensure these arrangements allow independent investigation of such matters and appropriate follow up action.	Ongoing		
12. Governance matters			
12.1 Review the currency of all policies of the Council.	Ongoing	Report provided to every meeting	
12.2 Periodic review of finance-related policies.	Ongoing		
12.3 Legislative compliance review.	Annual		
13.Other Functions			
13.1 Risk Management of Major Projects.	Ongoing		
13.2 Review of Council's Investments and Borrowings.	August 2027		
13.3 Review of overdue Council rates.	February 2027 August 2027		
13.4 Review of Council's leave liability.	February 2027 August 2027		
13.5 Annual Review of Audit & Risk Committee Terms of Reference.	Next review is due 2028		
13.6 Quarterly budget reviews	February, April & June 2027		
14.Reporting			
14.1 Ensure progress of the outstanding Audit & Risk Committee resolutions are followed up regularly.	Ongoing		

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Draft Audit & Risk Committee Annual Work Program 2026/2027

14.2	Ensure that significant, urgent matters identified through the work program are formally and promptly reported to Council.	Ongoing		
14.3	Report to the Council after each Audit & Risk Committee meeting summarising the work of the committee during the period preceding the meeting and the outcomes of the meeting	Ongoing		
14.4	Provide an annual report to the council on the work of the committee during the period to which the report relates; ▪ outlining outputs relative to the Audit & Risk Committee's Annual Work Program and the results of a self-assessment of performance for the preceding period including whether it believes any changes to its Terms of Reference are appropriate; ▪ outlining any identified training needs; ▪ Audit & Risk Committee Self-Assessment Survey ▪ advise on future work program proposals; and invite comment from the Council on all of the above.	November 2026		

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7 REPORTS FOR INFORMATION

7.1 UPDATE - COMMITTEE RESOLUTIONS

Record Number: **D26/32928**

Author: **Accountant**

Authoriser: **Chief Financial Officer**

Attachments: **1. Outstanding Resolutions ⇩**

RECOMMENDATION

"that the Audit & Risk Committee, having considered Item 7.1 – *Update - Committee Resolutions*, dated 12 August 2026, notes the report."

Purpose

The purpose of this report is to provide an update to the Audit and Risk Committee (the Committee) on outstanding resolutions.

Discussion

The resolutions that require actioning by Council employees are captured in the Committee's Resolution Register and presented to each meeting. Currently there are 4 resolutions outstanding and progress update is provided in **Attachment 1**.

References

Legislation

Local Government Act 1999

Council Policies/Plans

Audit and Risk Committee Annual Work Program 2025/2026

2026 Audit & Risk Committee Resolution Register

D26/32933

Meeting Date	Items No.	Title	Resolution Description	Resolution Number	Responsible Department	Status	Comment	Date Completed
01/04/2026	6.1	Options for Establishing Internal Audit Function for the Adelaide Plains Council	"that the Audit and Risk Committee, having considered Item 6.1 – Options for Establishing Internal Audit Function for the Adelaide Plains Council, dated 1 April 2026, notes the report and in doing so recommend to the Council that a)Council establishes an internal audit function that will be undertaken by a suitably qualified and experienced contracted internal auditor selected through a competitive procurement process in accordance with Council's Procurement Policy; b)appropriate financial resources are allocated in the Draft 2026/2027 Annual Business Plan and Budget; and c)a draft Internal Audit Policy is developed and presented to the Committee for review and feedback."	2026/22	Finance	Ongoing	Council approved $25,000 in the 2026/2027 Annual Business Plan & Budget. Internal Audit Policy will be presented to November meeting of the Committee	
01/04/2026	6.3	Draft 2026/2027 Budget and 2027-2036 Long Term Financial Plan	"that the Audit and Risk Committee, having considered Item 6.3 – Draft 2026/2027 Budget and 2027-2036 Long Term Financial Plan, dated 1 April 2026, recommend that Council place immediate urgency on the development and finalisation of its Infrastructure and Asset Management Plan and Long Term Financial Plan to provide guidance on the Annual Business Plan and Budget."	2026/27	Finance / I&E	Agenda	Refer to the reports titled 'Infrastructure and Assets Management Plan' and 'Draft Long Term Financial Plan 2027-2036' included in the agenda of 12 August 2026 meeting.	12/08/2026
01/04/2026	6.3	Draft 2026/2027 Budget and 2027-2036 Long Term Financial Plan	"that the Audit and Risk Committee, having considered item 6.3 – Draft 2026/2027 Budget and 2027-2036 long term financial plan, dated 1 April 2026, recommend that council undertakes a process of reviewing the proposed method of capping rates, including: - •obtaining legal advice; •whether or not a rating review ought to inform council's consideration in advancing such an initiative; •whether or not public consultation ought to be undertaken on any rating review; and •whether current internal systems have the capacity to implement."	2026/28	Finance	Completed	Council obtained legal advice confirming that a review of its rating structure, including public consultation, was not required. In addtion, updated rating modelling was undertaken and presented to the Council meeting held on 17 June. Following consideration of the modelling, the Council resolved to include the rating modelling information contained in the report as supplementary material as part of the ongoing public consultation process. Council subsequently adopted the 2026/2027 ABP & Budget on 15 July 2026	15/07/2026
01/04/2026	6.3	Draft 2026/2027 Budget and 2027-2036 Long Term Financial Plan	"that the Audit and Risk Committee, having considered Item 6.3 – Draft 2026/2027 Budget and 2027-2036 Long Term Financial Plan, dated 1 April 2026, recommend that Council give consideration to: - •The impact of recent inflationary factors and the impact on the Budget; and •Ensure that draft Budget and Long Term Financial Plan present a financially sustainable outcome."	2026/29	Finance	Agenda	Refer to the reports titled 'Draft Long Term Financial Plan 2027-2036' included in the agenda of the 12 August 2026 meeting.	12/08/2026
01/04/2026	6.4	Policy Review - Prudential Management Policy and Procedure	"that the Audit and Risk Committee, having considered Item 6.4 – Policy Review - Prudential Management Policy and Procedure, dated 1 April 2026, notes the report and in doing so recommends to Council that the updated Prudential Management Policy be redrafted to include the essential provisions of the draft Prudential Management Procedure and be brought back to a future meeting of the Audit and Risk Committee for Review."	2026/30	Finance	Ongoing	The Prudential Policy & Procedure is currently undergoing an extensive revision based on feed back from the Audit & Risk Committee and Council Management. Expect to present updated policy to the 4 November Committee Meeting	
03/06/2026	7.8	Independent Procurement Review	"that the Audit & Risk Committee, having considered Item 7.8 – Independent Procurement Review, dated 3 June 2026, notes the report." 1.Acknowledge the Chief Executive Officer's self-reporting to the Chair of the Audit and Risk Committee of concerns surrounding the procurement of the Payble software product and desire to have those processes externally reviewed. 2.Note the findings and conclusions drawn from independent review, undertaken by Morris Forensic, dated 27 May 2026. 3.Note that the administration is undertaking a review of its internal processes and procedures with a view of implementing improvements which align with the findings of the review. 4.Provide a report to the next committee meeting with a workplan to address the recommendations of the review."	2026/49	Finance	Ongoing	Refer to the report titled 'Workplan - Independent Procurement Review' included in the agenda of 12 August 2026 meeting for an update.	

2026 Audit & Risk Committee Resolution Register D26/32933								
Meeting Date	**Items No.**	**Title**	**Resolution Description**	**Resolution Number**	**Responsible Department**	**Status**	**Comment**	**Date Completed**
03/06/2026	6.2	Draft 2026/2027 Annual Business Plan & Budget	"that the Audit and Risk Committee, having considered Item – Draft 2026/2027 Annual Business Plan & Budget, dated 3 June 2026, recommends that the Council consider comprehensive modelling on the proposed capping to enable Council to fully understand the short and long-term impact of a small value cap on general rates before it decides to continue the use of the rates capping proposed in the 2026/27 Annual Business plan. Should the modelling indicate significant impacts on the rating structure consideration be given to undertaking consultation with the community on the proposed changes."	2026/53	Finance	Completed	Updated rating modelling was presented to the Council meeting held on 17 June. Following consideration of the modelling, the Council resolved to include the rating modelling information contained in the report as supplementary material as part of the ongoing public consultation process.	15/07/2026
03/06/2026	7.7	Risk Management Update	"that the Audit and Risk Committee, having considered Item 7.7 – Risk Management Update, dated 3 June 2026, notes the report and requests a timetable for completion of tasks based on available resources."	2026/65	Governance	Agenda	Refer to the report titled 'Update - Risk Management Framework' included in the agenda of 12 August 2026 meeting for an update.	12/08/2026
03/06/2026	11.1	Council Aged Units Update - Walara Proposal	Refer to confidential minutes	2026/69	Corporate	Ongoing	A report is to be provided to a special meeting of the Committee	

7.2 UPDATE - COUNCIL POLICY REVIEWS

Record Number: **D26/35016**

Author: **Manager Governance**

Authoriser: **Acting Director Corporate Services**

Attachments: **Nil**

RECOMMENDATION

"that the Audit and Risk Committee, having considered Item 7.2 – *Update - Council Policy Reviews*, dated 12 August 2026, notes the report."

Purpose

The purpose of this report is to provide the Audit and Risk Committee (the Committee) with an update in relation to Council's *Policy Review Schedule* and the progress made to update Council's overdue policies and procedures.

Discussion

Council has an ongoing focus on its governance and policy framework. Since the last update to the Committee, Council has adopted:

- Rating Policy (Finance)
- Travel & Hospitality Expenditure Policy (Finance)

Table: Status Council policies per department as at 5 August 2026

Department	Total	Overdue
Corporate Services	24	3
Finance	14	2
Development & Community	11	7
Infrastructure & Environment	15	3

Governance assistance with reviewing overdue policies have been delayed due to competing priorities and lack of capacity.

It is intended for the Community Engagement Policy (currently Public Consultation Policy) (Corporate Services) to be presented to Council at the 19 August 2026 Ordinary Council Meeting.

Conclusion

Whilst Council employees remain committed to getting Council policies and procedures up to date and ensuring that they reflect current practice and compliance with legislation, policy reviews have currently been delayed due to competing priorities and lack of capacity.

7.3 UPDATE - RISK MANAGEMENT FRAMEWORK

Record Number: **D26/28415**

Author: **Manager Governance**

Authoriser: **Acting Director Corporate Services**

Attachments: **Nil**

RECOMMENDATION

"that Council, having considered Item 7.3 – *Update - Risk Management Framework*, dated 12 August 2026, notes the report."

Purpose

The purpose of this report is to provide an update on the implementation of Council's Risk Management Framework to the Audit and Risk Committee (the Committee).

Background

The Committee last received an update on the implementation of Council's Risk Management Framework at the 3 June 2026 meeting. At such meeting, the Committee resolved as follows:

> ***COMMITTEE RESOLUTION 2026/65***
>
> ***Moved: Mr Rushbrook***
>
> ***Seconded: Mr Scargill***
>
> ***"that the Audit and Risk Committee, having considered Item 7.7 – Risk Management Update, dated 3 June 2026, notes the report and requests a timetable for completion of tasks based on available resources."***
>
> ***CARRIED***

As requested by the Committee at the 3 June 2026 meeting, a timetable for completion of tasks based on available resources has been included in the body of this report.

Council employees, with the Local Government Association Mutual Liability Scheme (LGAMLS) assistance and facilitation, have undertaken, and completed, Phase 1 of the LGAMLS Scope of Works (the Project) presented to the Committee at the 10 June 2025 meeting (and further presented to the 3 June 2026 meeting for the Committee's reference). To summarise the work completed so far:

- a Risk Maturity Report (provided by LGAMLS);
- Enterprise Risk Management, Project Risk Management Awareness and Risk Appetite Training;
- Strategic Risk Management and Risk Appetite Executive Management Team (EMT) Workshops/Information Sessions with Council Members;
- the adoption of Risk Appetite Statements (24 November 2025); and
- a draft Strategic Risk Register (noting this is an ongoing, everchanging working document and will be presented to the Committee at the 4 November meeting).

As the Project timeline is behind schedule (due to lack of a dedicated internal resource), and to assist with the implementation of actions as a result of Phase 1, Council, following a recommendation of

the Committee (Committee Resolution 2026/26) engaged an external consultant to provide interim risk management support:

> ***COMMITTEE RESOLUTION 2026/26***
>
> ***Moved: Mr Scargill***
>
> ***Seconded: Mr Fairlie-Jones***
>
> ***"that the Audit and Risk Committee, having considered Item 6.3 – Draft 2026/2027 Budget and 2027-2036 Long Term Financial Plan, dated 1 April 2026, recommend that Council allocate $10,000 in the third quarter budget review for interim risk support."***
>
> ***CARRIED***

Phase 1 of the Project, except for any actions completed by our external consultant (required due to a lack of a dedicated internal resource), have been completed at no additional cost to Council, being a fully funded service offering as part of Council's membership of the LGAMLS.

As part of Phase 1 of the Project with LGAMLS, Council has, as detailed above, undertaken a series of workshops to review and document its Risk Appetite and current Strategic Risks. Such workshops resulted in adopted Risk Appetite Statements (24 November 2025) and a draft Strategic Risk Register (which will be presented to the Committee at the 4 November 2026 meeting).

Discussion

Risk Appetite

The review of the risk appetite statements began in July 2025 with risk focused workshops attended by EMT and Council Members.

The workshops consisted of an educational presentation followed by a practical exercise and discussion where EMT and Council Members were asked to vote and comment on their opinion of the risk categories for each strategic risk. The endorsed risk categories are:

- Assets & Infrastructure;
- Community, Heath & Wellbeing;
- Cultural Heritage;
- Environment;
- Financial;
- Governance, Legal & Compliance;
- Growth & Prosperity;
- Information Technology;
- People & Culture (Includes WHS); and
- Service Delivery.

This was followed up with an in-depth group discussion on each of the categories, to deliberate reasoning and determine a consensus, which would ultimately inform the Risk Appetite statements.

Council will review the Risk Appetite statements yearly and will provide a report detailing the findings of the review to the Committee upon competition. The next review is scheduled for November 2026.

Strategic Risk

The Strategic Risk Register has been drafted with an aim to ensure that risk management practices are integrated into decision-making processes at all levels and enhance Council's ability to allocate resources effectively for risk management. By embedding risk management into Council's culture and decision-making processes, we can enhance our resilience and adaptability, ensuring that resources are utilised more effectively in pursuit of strategic objectives.

Council's Strategic Risks have been identified with regard given to Council's Risk Appetite Statements. Council's 8x Strategic Risks are as follows:

- Asset Management;
- Business continuity;
- Community expectations;
- Environmental impacts;
- Financial sustainability;
- Ineffective governance;
- Rapid growth; and
- Strategic planning.

The draft is still currently being finalised and will be presented to the Committee at the 4 November 2026 meeting.

Council administration will formally review the strategic risk register (annually) and subsequently provide it to the Committee, such proactive process will identify opportunities to ensure Council achieves its strategic objectives whilst recording and managing its risks.

Timetable for completion of tasks based on available resources

Action	**Original**	**New target date**
Phase 2: Operational risk	January–May 2026	August–January 2027
Phase 3: Risk maturity - second assessment + Close out/next steps	May–June 2027	January–March 2028

As a result of lack of dedicated internal resource and competing organisational priorities, the original timeframes for the Project has been delayed. Council administration are currently in discussion with LGAMLS to reschedule the remainder of the Project (as detailed in the LGAMLS Scope of Works previously provided to the Committee).

The external consultant engaged has now completed its works to assist Council administration to implement actions arisen out of Stage 1 of the Project.

Council administration are aware that the Risk Management Framework will require the allocation of dedicated resources by Council (with relevant expertise) to manage and maintain. As previously identified and recommended by the Committee:

> ***COMMITTEE RESOLUTION 2025/19***
>
> ***Moved: Mr Rushbrook***
>
> ***Seconded: Mr Scargill***
>
> ***"noting the comment in the agenda regarding resource available for progressing Risk Management actions, the Audit and Risk Committee strongly encourage the Council to ensure appropriate resources are available to maintain adequate Risk Management activities."***
>
> ***CARRIED***

The responsibility of strategic risks is currently sitting with individuals rather than a centralised owner, which frustrates and compounds the delay in the implementation of the Risk Management Framework.

Council administration notes that in addition to the delay in completing the Project, further decisions of prioritisation were required to enable progression of the Project. Resultingly, key governance functions, such as policy and legislative compliance reviews have been deferred. The Chief Executive Officer (CEO), mindful of the importance in resourcing Council's risk management portfolio, has sought to provide Council Members with an Information Session as a means of reinforcing existing gaps and associated risks, also noting previous resolutions of the Committee. Unfortunately, said Information Session was cancelled due to the number of apologies received. The CEO now intends to provide a briefing at the 19 August 2026 Ordinary Council Meeting in which it is intended representatives of the LGAMLS will attend.

Conclusion

Despite the lack of dedicated internal resource, Council employees have continued to progress the Project. After meeting with LGAMLS in July 2026, the planning stages for Phase 2 of the Project has commenced (August 2026), with an aim for the Project to be completed by March 2028.

References

Legislation

Local Government Act 1999

Council Policies/Plans

Risk Management Policy
Risk Management Framework (Internal document only)
Risk Appetite Statements

7.4 WORKPLAN - INDEPENDENT PROCUREMENT REVIEW

Record Number: **D26/34878**

Author: **Manager Governance**

Authoriser: **Acting Director Corporate Services**

Attachments: **1. Workplan - Independent Procurement Review ⇩**

RECOMMENDATION

"that Council, having considered Item 7.4 – *Workplan - Independent Procurement Review*, dated 12 August 2026, notes the report."

Purpose

The purpose of this report is to present to the Audit and Risk Committee (the Committee) a workplan to address the recommendations of the Independent Procurement Review undertaken by Morris Forensic, dated 27 May 2026 (the Review).

Background

An information report, including the Review, was presented to the Committee on 3 June 2026. The Committee resolved as follows:

COMMITTEE RESOLUTION 2026/49
Moved: Mr Rushbrook
Seconded: Ms Best
"that the Audit and Risk Committee, having considered item 7.8 – Independent Procurement Review, dated 3 June 2026:-

1. ***Acknowledge the Chief Executive Officer's self-reporting to the Chair of the Audit and Risk Committee of concerns surrounding the procurement of the Payble software product and desire to have those processes externally reviewed.***
2. ***Note the findings and conclusions drawn from independent review, undertaken by Morris Forensic, dated 27 May 2026.***
3. ***Note that the administration is undertaking a review of its internal processes and procedures with a view of implementing improvements which align with the findings of the review.***
4. ***Provide a report to the next committee meeting with a workplan to address the recommendations of the review."***

CARRIED

This report addresses paragraph 4 of Committee Resolution 2026/49.

Discussion

The workplan to address the recommendations of the Review (**Attachment 1**) has been developed having regard to the following:

- Council does not currently use dedicated procurement management software. While Council has previously investigated implementing a procurement management system, the available solutions were considered prohibitively expensive and, as a result, no system was implemented.
- All procurement activities are currently managed using Microsoft Word and Excel templates which are prone to human errors. However, Council does utilise an electronic approval

workflow through its electronic document management system, Content Manager, to facilitate the review and approval of procurement documentation.

- Council operates a fully decentralised procurement model, whereby each Budget Manager is responsible for undertaking procurement activities within their area of responsibility, in consultation with the Procurement Advisor.
- For major procurements with an estimated contract value exceeding $55,000 (including GST) over the life of the contract, the Procurement Advisor manages the tendering process in consultation with the relevant procurement delegate and Budget Manager.

The recommendations of the review are summarised (and addressed in **Attachment 1**) as follows, noting page numbers refer to the Review report presented to 3 June 2026:

1. Training/refresher (page 21)
2. Need to consider whether within budget (page 21)
3. Definition of within budget (page 21-22)
4. Threshold for request for quote (page 23)
5. Reference to the Prudential Management Policy (page 23)
6. Consideration of whether Council should participate (page 23)

Conclusion

This report, and the workplan (**Attachment 1**), are provided for the Committee's information.

References

Legislation

Local Government Act 1999

Council Policies/Plans

Budget Management Policy
Procurement Policy
Prudential Management Policy

WORKPLAN

To address recommendations of Independent Procurement Review

	Action	Outcome	Responsible	Target date	Addresses recommendation
1	Refresher training [+mandatory training for all employees with financial sub-delegations] - *Including case studies, out of the box, relevant to people's roles and responsibilities*	An improved understanding of the relevant policies, procedures and processes	Finance in consultation with Governance	December 2026	1
2	Review Budget Management Policy - *Definition of 'within budget'* - *Guidance on the extent to which savings can be used (at all) to offset additional expenditure* - *Principle that Council is to decide how savings are to be applied* - *+ implement new budget management procedure* - *+ prohibit offsetting expenditure against forecast savings unless Council approves*	Remove ambiguity and inconsistencies in the policy/delegations. Avoid informal reallocation of forecast savings	Finance in consultation with Governance	November 2026	3
3	Review Procurement Policy - *Definition of 'within budget'* - *Reference where to find guidance where it deals with delegations* - *Notes where a procurement relates to a project, regard must be had to the Prudential Management Policy* - *Definition of 'project'* - *Consideration as to whether council should participate in decision making* - *Ultimately the CEO should retain discretion as to whether approval is sought from Council where items are within budget* - *+clarification on procurement value assessed on whole-of-life contract cost, not annual*	Remove ambiguity and inconsistencies in the policy/delegations. Avoid informal reallocation of forecast savings	Finance in consultation with Governance	November 2026	3, 4, 5, 6
4	Review Procurement Procedure - *Includes a step that contemplates whether the proposed procurement is within budget for each expenditure level* - *Guidance on the extent to which savings can be used (at all) to offset additional expenditure* - *Principle that Council is to decide how savings are to be applied*	Remove ambiguity. Avoid informal reallocation of forecast savings	Finance in consultation with Governance	November 2026	2, 3, 5

	- *Notes where a procurement relates to a project, regard must be had to the Prudential Management Policy* - *Definition of 'project'* - *+Introduce mandatory procurement compliance checklist before any procurement over $55,000 inc GST*				
5	Review Prudential Management Policy - *Consideration as to whether council should participate in decision making* - *Ultimately the CEO should retain discretion as to whether approval is sought from Council where items are within budget*	Remove ambiguity and inconsistencies in the policy/delegations	Governance	November 2026	6
6	Update template – Acquisition Plan (long form) - *Correct inconsistencies between template, procurement policy, procurement procedure and expenditure amounts* - *+introduce mandatory budget availability check by Procurement Advisor for procurement > $55,000 inc GST* - *+mandatory for all new/existing procurement >$55,000 inc GST*	Improve decision quality	Finance	January 2027	4
7	Update template – Request for Quote - *Correct inconsistencies between template, procurement policy, procurement procedure and expenditure amounts*	Remove inconsistencies	Finance	January 2027	4
8	Monitoring and evaluation	Evaluation to ensure workplan milestones are being achieved and working as intended	Chief Executive Officer/Audit and Risk Committee/Council	Ongoing	

+ additional actions identified by employees (not recommended in the Review)

7.5 PROCUREMENT POLICY EXEMPTIONS - JANUARY TO JUNE 2026

Record Number: **D26/33766**

Author: **Accountant**

Authoriser: **Chief Financial Officer**

Attachments: **1. Register of Purchases Exempt from Procurement Policy - January to June 2026** ⇩

RECOMMENDATION

"that Audit & Risk Committee, having considered Item 7.5 – *Procurement Policy Exemptions - January to June 2026*, dated 12 August 2026, notes the report."

Purpose

The purpose of this report is to update the Audit & Risk Committee (the Committee) on procurement processes that have been exempt from Council's Procurement Policy (the Policy).

Background

Clause 9 of the Policy outlines specific circumstances where it may be appropriate for the Chief Executive Officer (CEO) to waive the application of the Policy. These include:

- emergency situations threatening life and property;
- the supply market is known and has been tested within the previous 3 years;
- where better value can be achieved by an alternative method;
- availability of vendors;
- timing constraints;
- any other exemptions as documented for probity.

Additionally, Clause 9 stipulates that any approved exemptions must be reported to the Committee on a bi-annual basis for the Committee Members' information.

Discussion

Council administration procure in line with the Policy for the majority of the required procurement activities. However, in certain circumstances—such as emergencies or when the tender process may not yield the best outcome for Council, and alternative market approaches are deemed more suitable—an exemption may be requested.

As outlined in the Policy, all exemptions must be approved by the CEO, with the appropriate documentation and justification recorded in Council's records management system.

Presented as **Attachment 1** to this report is the 'Register of Purchases Exempt from the Procurement Policy,' which includes 2 procurement activities exempt from the Policy between January to June 2026.

Conclusion

This report provides the Committee with an update on procurement activities that have been exempt from the Policy between January to June 2026. As outlined in Clause 9 of the Policy, exemptions may be granted in specific circumstances, such as emergencies or when alternative market approaches are more suitable. All such exemptions require approval from the CEO, with appropriate documentation and justification maintained in Council's records management system.

The details of these exemptions are presented in the attached 'Register of Purchases Exempt from the Procurement Policy' for the Committee's information.

The Policy Exemptions Register report is a transparent and efficient reporting tool, ensuring Committee Members are updated in relation to procurement activities undertaken that require an exemption.

References

Legislation
Local Government Act 1999

Council Policies/Plans
Procurement Policy

Exemptions to the Procurement Policy - January to June 2026

Procurement Description	Date the Procurement was initiated	Expected Value of Procurement	Market research	Reasons for Exemption	Alignment to Procurement Policy	Date of CEO Approval
Printer Services	28/01/2026	$14,500 (12 months)	Nil - supplier engaged since 2019	Due to another large project in 2025 (Migration of main corporate software to Council managed infrastructure), the Information Technology team did not have adequate time or resources to procure new multi-function printers. The contract was allowed to lapse and renew automatically for 12-months. The extension has retained the service contract pricing from the now expired contract and will be aligned to ensure that all existing devices expire at the same time in 2026. The only increase may be seen slightly in consumable costs for toner, and colour/black and white printing. Note - a condition has been placed on the exemption, requiring staff to undertake a request for quote prior to the current contract expiry.	The exemption request met the Procurement Policy per clause 9. Exemptions; • timing constraints.	6/02/2026
Land Remediation - 105 Limerock Road, Lower Light	31/03/2026	Confidential	Council engaged with two separate consultants, both of whom have provided comparable rates.	Given that the remediation plan has been prepared by the supplier and approved by the EPA, it was considered more efficient and presents a lower risk to continue with the supplier for delivery of the works.	The exemption request met the Procurement Policy per clause 9. Exemptions; • Avaliability of Vendors; and • Any other exemptions as documented for probity (to ensure probity for total spend with one supplier, over the procurement threshold).	2/04/2026

CM Reference: D23/40491

Last updated 23/07/2025

7.6 CREDIT CARD EXPENDITURE - JANUARY TO JUNE 2026

Record Number: **D26/31953**

Author: **Accountant**

Authoriser: **Chief Financial Officer**

Attachments: **1. Credit Card Expenditure Transactions - 1 January to 30 June 2026** ⇩

RECOMMENDATION

"that the Audit and Risk Committee, having considered Item 7.6 – *Credit Card Expenditure - January to June 2026*, dated 12 August 2026, notes the report."

Purpose

The purpose of this report is to inform the Audit and Risk Committee members about credit card expenses incurred during the 6-month period from 1 January to 30 June 2026.

Background

Clause 7.2 of Council's Credit Card Policy (the Policy) states as follows: *"A report containing transaction details, such as supplier, amount and description, on all credit card expenditure is presented to Council's Audit and Risk Committee on a 6-monthly basis."*

Discussion

The total expenditure across Council credit cards for the period from 1 January to 30 June 2026 was $16,046.42 (including GST), as shown in **Table 1**. A total of 92 transactions were made during the period, with 55% of transactions being for amounts under $100.

Table 1 – Credit Card expenditures for the period 1 January to 30 June 2026

Card Number	$ (incl. GST)
Card 1 (CEO)	1,017.16
Card 2	3,169.91
Card 3	1,730.60
Card 4	8,069.86
Card 5	2,058.89
Total 5 cards	16,046.42

A detailed breakdown of all 92 transactions occurred during the first half of 2026 is provided in **Attachment 1**. This information is presented in accordance with clause 7.2 of the Policy.

The Chief Executive Officer ensures strict oversight and control over the use of Council-issued credit cards, reflecting a strong commitment to responsible management of public funds. All credit card transactions were made in line with the Council's Procurement Policy, within authorised budget allocations, and in compliance with the Limitations for Financial Sub-Delegations.
Each transaction is fully documented and aligns with the Policy.

Conclusion

Total expenditure incurred by all Council credit card for the period 1 January to 30 June 2026 was $16,046.42.

The credit card expenditure for the six-month period ending 30 June 2026 has been managed in accordance with Council's established policies and procedures. All transactions were conducted within authorised financial limits, supported by appropriate documentation, and complied with the Council's Procurement Policy and the Policy, including the reporting requirements outlined in clause 7.2. The detailed transaction listing provided in **Attachment 1** reinforces the Council's ongoing commitment to transparency, accountability, and the responsible use of public funds.

References

Legislation
Section 124 (Accounting Records to be Kept) of the Local Government Act 1999
Section 125 (Internal Control Policies) of the Local Government Act 1999

Council Policies/Plans
Credit Card Policy
Procurement Policy
Internal Financial Controls Policy
Human Resource Management Policy

Adelaide Plains Council credit card expenditure - Individual transactions (Incl GST)

1 January - 30 June 2026

Table 1: Credit Card 1 (CEO) Transactions 1 January to 30 June 2026

Transaction Date*	Paid to	Amount $	Description
12/01/2026	Ultimate Xpress	121.45	Car detailing
20/01/2026	Upark	19.00	Parking - LG House EMT Meeting
04/03/2026	Wilsons Parking	36.50	Parking - Capetal Presentation
25/03/2026	Upark	10.80	Parking - SA Water meeting
22/04/2026	Eventbrite	50.00	Kelledy Jones CEO Forum
24/04/2026	Discovery Holiday Park	170.52	Accommodation at Hahndorf Discovery Park for James Miller
24/04/2026	Discovery Holiday Park	170.52	Accommodation at Hahndorf Discovery Park for Richard Dodson (Clare and Gilbert Valleys Council) - reimbursement paid from external parties
24/04/2026	Discovery Holiday Park	170.52	Accommodation at Hahndorf Discovery Park for Nathan Cunningahm (Yankalilla District Council) - reimbursement paid from external parties
26/05/2026	Auto Park Pty Ltd	28.42	Parking to attend meeting at Norman Waterhouse Lawyers
24/06/2026	ACT Cabs	11.11	Taxi - Parliament House to Convention Centre - Canberra - CEO
24/06/2026	ACT Cabs	11.11	Taxi - Parliament House to Convention Centre - Canberra - Mayor
24/06/2026	GM TaxiPay	21.88	Taxi - Canberra Airport to Canberra City - CEO
24/06/2026	GM TaxiPay	21.88	Taxi - Canberra Airport to Canberra City - Mayor
24/06/2026	Blu Ginger Indian	47.02	Canberra - CEO Meal
24/06/2026	Blu Ginger Indian	47.02	Canberra - Mayor Meal
25/06/2026	SQ Shivaay Investments	25.40	Canberra - CEO Meal
25/06/2026	SQ Shivaay Investments	25.40	Canberra - Mayor Meal
29/06/2026	ACT Cabs	14.31	Taxi - Canberra City to Canberra Airport - CEO
29/06/2026	ACT Cabs	14.31	Taxi - Canberra City to Canberra Airport - Mayor
	Total	**1,017.16**	

* this is the date the transaction appeared on the statement

Table 2: Credit Card 2 Transactions 1 January to 30 June 2026

Transaction Date*	Paid to	Amount $	Description
29/01/2026	Eplanning SA	442.00	Planning development application fee - Library
23/01/2026	DHS - Screening	140.00	Working with children Check
23/01/2026	DHS - Screening	140.00	Working with children Check
12/03/2026	Ezyreg	36.00	S719TLS - Registration renewal
12/03/2026	Ezyreg	36.00	S720TLS - Registration renewal
18/03/2026	DHS - Screening Units	140.00	Working with Chirldren Check - Library staff
19/03/2026	EZI Adealide Safe Training	245.00	Chief Warden Training
20/03/2026	DHS - Screening Units	140.00	Working with Chirldren Check - Library staff
02/04/2026	UES International Hardware	105.93	Parts for Plant 115
04/05/2026	Adealide Tilt Services	833.25	Transport of Plant 182 for repair work
08/06/2026	Netcraft	19.00	Netcraft Software renewal
11/06/2026	Gallup	70.00	Cliften Strength for Leaderships
11/06/2026	Gallup	70.00	Cliften Strength for Leaderships
12/06/2026	Survey Monkey	752.73	Renew Software - Survey Monkey
	Total	**3,169.91**	

* this is the date the transaction appeared on the statement

Table 3: Credit Card 3 Transactions 1 January to 30 June 2026

Date	Paid to	Amount $	Description
20/01/2026	Circum Vending Cheltenham	25.50	Car wash
07/01/2026	News Pty Limited	8.00	Advertiser Monthly Subscription
04/02/2026	News Pty Limited	16.00	Advertiser Monthly Subscription
04/03/2026	News Pty Ltd	32.00	Advertiser Monthly Subscription
16/03/2026	Amazon	79.83	protective phone case
31/03/2026	Jarvis Ford	685.76	Vehicle Service
02/04/2026	Amazon	15.99	Phone charger cords
10/04/2026	SP Grunt 4X4	115.62	Parts for Plant
17/04/2026	Hawker Motors	208.40	Diesel
29/04/2026	Circum Vending	25.50	Car Wash
29/04/2026	News Pty Ltd	16.00	Advertiser Monthly Subscription
27/05/2026	News Pty Ltd	16.00	Advertiser Monthly Subscription
22/06/2026	AHRI Ltd	470.00	Human Resources Institute renewal
24/06/2026	News Pty Ltd	16.00	Advertiser Monthly Subscription
	Total	**1,730.60**	

* this is the date the transaction appeared on the statement

Table 4: Credit Card 4 Transactions 1 January to 30 June 2026

Transaction Date*	Paid to	Amount $	Description
30/01/2026	Subway	133.64	Staff Meals Prior to Ordinary Council Meeting
13/01/2026	Funk Coffee	101.25	Catering for EMT planning Forum 20 January 2026
14/01/2026	News Pty Limited	32.00	The Advertiser digital membership
16/01/2026	Ezypay fire and safety	240.00	Staff Training - Fire warden
20/01/2026	Upark	20.00	Parking to attend the EMT Strategic Planning Day in LG House
27/01/2026	Ezypay fire and safety	135.00	Staff Training - Fire warden
11/02/2026	News Pty Limited	32.00	The Advertiser digital membership
20/02/2026	Subway	62.09	Staff Meals Prior to Ordinary Council Meeting
24/02/2026	Mailsnd.com	413.52	Vision6 email newsletter (12 months)
27/02/2026	Funk C+F 22KW Adealide	112.50	lunch at EMT Capetal presentation
05/03/2026	Wilsons Parking	30.41	Parking - Attendance at Capetal Presentation
11/03/2026	News Pty	32.00	The Advertiser digital membership
23/03/2026	The Bunyip	168.00	Bunyip Newspaper - Subscription renewal - 2026
24/03/2026	Qantas	834.59	Flights to attend ALGA Conference - Mayor
24/03/2026	Qantas	834.59	Flights to attend ALGA Conference - J Miller
08/04/2026	News Pty Ltd	32.00	The Advertiser digital membership
15/4/2026	Plains Producer	140.00	Subscription to the Plains Producer Newspaper
20/04/2026	Accor Grosvenor	158.00	Accommodation Mayor Wasley for his attedance at the LGA OGM and Conference on 28 and 29 May 2026
21/04/2026	EZI Adealide Safety	245.00	Adelaide Safety Training
20/5/2026	Subway Gawler Green	107.26	Staff Meals Prior to Ordinary Council Meeting
26/5/2026	City of Adelaide Upark	10.80	Parking to attend meeting at Norman Waterhouese Lawyers
29/05/2026	Australian Local Government	245.00	Mayor Wasley - National General Assembly Dinner
03/06/2026	News Pty Ltd	32.00	The Advertiser digital membership
05/06/2026	News Pty Ltd	32.00	The Advertiser digital membership
15/06/2026	Australian Local Government Association	245.00	James Miller - National General Assembly Dinner
16/06/2026	Meriton Property	1,436.71	Accommodation - CEO - Meriton Suites - Canberra
16/06/2026	Meriton Property	1,436.71	Accommodation - Mayor - Meriton Suites - Canberra
17/06/2026	Adealide Airport	160.00	Long Term parking for Mayor Wasley and James Miller while they are attending the ALGA Conference in Canberra - 22 to 26 June 2026
19/06/2026	Subway	67.79	staff Meals prior to ordinary council meeting
26/06/2026	Canva	540.00	Canva Software Renewal
	Total	**8,069.86**	

* this is the date the transaction appeared on the statement

Table 5: Credit Card 5 Transactions 1 January to 30 June 2026

Transaction Date*	Paid to	Amount $	Description
12/01/2026	Eplanning	208.00	Accredited professional-planning level 1,Accredited professional-planning level 3,Accredited professional-planning level 4
20/01/2026	Upark	5.40	all day EMT forum at LG House
20/01/2026	Upark	10.80	all day EMT forum at LG House
20/01/2026	Upark	10.80	all day EMT forum at LG House
20/01/2026	Upark	10.80	all day EMT forum at LG House
03/03/2026	Upark	26.00	Parking for workshop with Capetal
16/03/2026	Gooya	140.09	Library equipment
20/03/2026	Big W	105.00	Materials for Youth Week
20/03/2026	Office Works	78.50	Materials for Youth Week
20/03/2026	Kmart	160.00	Materials for Youth Week
24/03/2026	Big W	790.50	Materials for Youth Week
08/04/2026	SALA Festival	300.00	SALA registration
09/04/2026	Planning Institute	90.00	Staff Training - SA Legal Lunchtime Series
22/05/2026	Woolworths	63.03	Snacks for Walk to School Day Two Wells Primary
22/05/2026	Woolworths	59.97	Snacks for Walk to School Day Two Wells Primary
	Total	**2,058.89**	

* this is the date the transaction appeared on the statement

7.7 REVIEW - COUNCIL INVESTMENT & BORROWINGS - 2025/2026

Record Number: **D26/35828**

Author: **Accountant**

Authoriser: **Chief Financial Officer**

Attachments: **Nil**

RECOMMENDATION

"that the Audit and Risk Committee, having considered Item 7.7 – *Review - Council Investment & Borrowings - 2025/2026*, dated 12 August 2026, notes the report."

Purpose

The purpose of this report is to inform the Audit and Risk Committee about Council's Treasury Management activities for the 2025/2026 financial year, in relation to its Treasury Management Policy (the Policy).

Background

The Policy stipulates that:

"7.2. Fixed Interest Rate Borrowings

7.2.1 To ensure an adequate mix of interest rate exposures, Council will structure its portfolio of borrowings, as old borrowings mature and new ones are raised, to progressively achieve and thereafter maintain on average in any year, not less than 30% of its gross debt in the form of fixed interest rate borrowings.

7.2.2 In order to spread its exposure to interest rate movements, Council will aim to have a variety of maturity dates on its fixed interest rate borrowings over the available maturity spectrum.

7.2.3 Council will ensure that no more than 25% of its fixed interest rate borrowings mature in any year.

7.3. Variable Interest Rate Borrowings

7.3.1 Council will structure its portfolio of borrowings, as old borrowings mature and new ones are raised, to progressively achieve, and then maintain, not less than 30% of its gross debt on average in any year in the form of variable interest rate borrowings."

Section 8.1 of the Policy then states:

"At least once a year Council shall receive a report regarding investment and borrowing performance relative to this Policy. The report shall highlight:

(a) for each Council borrowing and investment - the quantum of funds, its interest rate and maturity date, and changes in the quantum since the previous report; and

(b) the proportion of fixed interest rate and variable interest rate borrowings at the end date of the reporting period and an estimate of the average of these proportions across this period along with key reasons for significant variances compared with the targets specified in clause 7 and 7.3 of this policy.

(c) budgeted borrowings versus actual borrowings."

This report has been prepared in accordance with the Policy provision. Additionally, under section 140 of the *Local Government Act 1999* (the Act), Council is required to review the performance of its investments—both individually and collectively—at least once each year.

Discussion

Cash management practices have continued as in previous years, in accordance with the Policy. As a result, no funds have been retained for specific purposes except for:

- Developer contributions of $0.038m for new footpaths; and
- Two Wells Community Fund of $0.068m

These amounts are required to be cash backed. Existing cash reserves have been utilised for daily cash flow management based on operational needs. All of Council's loans and deposits are held with the Local Government Financing Authority (LGFA).

Borrowings

Section 134 of the Act allows Councils to enter into financial arrangements deemed appropriate to borrow funds for recurrent operations and capital expenditure needs.

As of 30 June 2026, Council had 1 fixed-rate debenture loan outstanding, obtained to fund the Mallala CWMS. The balance on this loan was $1.691m, representing a reduction of $26,000 compared to the outstanding fixed-rate borrowings of $1.717m on 30 June 2025, due to regular loan repayments.

Additionally, as at 30 June 2026, Council had an outstanding variable/fixed rate Cash Advance Debenture (CAD) balance of $5.167m with the LGFA, at an average interest rate of 5.85%. This represents a reduction of $3.197m from the outstanding balance of $8.364m at 30 June 2025.

The reduction in borrowings is primarily attributable to grant funding received for major road projects, including:

- $0.560m received under the Special Local Roads Program for the sealing of Hart Road.
- $0.916 million received from the South Australian Government for the sealing of the Thompson Beach Esplanade.

As these grant funds remained unspent at year-end, they were held by Council awaiting expenditure and contributed to the reduction in the outstanding CAD balance.

The fixed-rate borrowing has a term of 20 years, with an interest rate of 4.45% per annum. To minimise future financing costs, the current funding strategy is to first utilise surplus funds, while short-term funding needs are met through the CAD facility. A listing of all active loans can be found in **Tables 1 and 2** below.

Table 1: Outstanding Fixed Rate Debenture Loans at 30 June 2026

Purpose of the Loan	Loan Term (Yrs.)	Principal Amount ($'000)	Date of Borrowing	Date of Maturity	Interest Rate (%)	Balance ($'000)
Mallala CWMS Scheme	20	1,910	15/06/2016	15/06/2036	4.45	1,691
Total		**1,910**				**1,691**

Table 2: Outstanding Variable & Fixed Rate Cash Advance Loans at 30 June 2026

Loan Number	Purpose of the Loan	Limit ($'000)	Expiry Date	Interest Rate (%)	Balance ($'000)
CAD 123	General Council operations (variable rate)	5,000	05/07/28	5.85	2,050
CAD 124	General Council operations (variable rate)	1,500	15/05/30	5.85	0
CAD 126	General Council operations (variable rate)	4,000	17/10/27	5.85	3,017
CAD 127	General Council operations (variable rate)	4,473	15/05/28	5.85	0
Total		**14,973**			**5,167**

Table 3 below summarises Council's performance as of 30 June 2026, in relation to the Policy. Council has met 2 targets set for variable rate and fixed rate borrowings.

Table 3: Summary of Council Performance against Treasury Management Policy

Type of Borrowings	% - Target as per Treasury Management Policy	Balance ($'000)	%	Target Achieved
Fixed Rate	Fixed rates borrowings are to be not less than 30% of gross debts	1,691	25	No
	No more than 25% of Council fixed interest rate borrowings matures in any financial year			Yes
Variable Rate	Variable rates borrowings are to be not less than 30% of gross debts	5,167	75	Yes
Total		**6,858**	**100**	

Investments

Council's total short-term deposit on 30 June 2026 was $0.106m (please refer to **Table 4** below) which was $0.133m a year ago.

Table 4: Short-term Investment Balances ($)

	30/06/2025	30/06/2026
Adel Plains 36 Nissi Development Footpath	36,611	38,141
Two Wells Community Fund	97,354	67,809
General Council Deposit Account	4	0
	133,969	105,950

Interest expenses for the 2025/2026 Financial Year

During 2025/2026 Financial Year, $0.496m was paid as interest expenses ($0.551m in 2024/2025) on Council's borrowings.

References

Legislation
Section 140 of the *Local Government Act 1999*

Council Policies/Plans
Treasury Management Policy
Audit and Committee Terms of Reference
Audit & Risk Committee Annual Work plan 2025/2026

7.8 UPDATE - LEAVE LIABILITY AS AT 30 JUNE 2026

Record Number: **D26/36071**

Author: **Chief Financial Officer**

Authoriser: **Chief Executive Officer**

Attachments: **Nil**

RECOMMENDATION

"that the Audit and Risk Committee, having considered Item 7.8 – *Update - Leave Liability as at 30 June 2026*, dated 12 August 2026, notes the report."

Purpose

This report is intended to inform the Audit and Risk Committee of Council's financial liability for unused staff leave entitlements as at 30 June 2026.

Background

Council's former auditor, Galpins, has raised concerns in previous annual audits about employees with annual leave balances exceeding 300 hours (equivalent to 7.9 weeks). The number of relevant employees at each year-end was as follows:

-
- 30 June 2021: 14 employees
- 30 June 2022: 16 employees
- 30 June 2023: 15 employees
- 30 June 2025: 13 employees
- 30 June 2026: 11 employees
- 30 June 2026: 10 employees

Discussion

Maintaining a high level of unused employee leave entitlements poses several financial and operational risks to Council, including:

a) Cash flow impact – If employees resign or retire unexpectedly, large leave payouts may place immediate pressure on Council's cash flow.

b) Increased financial liability – Leave entitlements are calculated based on current hourly pay rates. As pay rates rise annually—particularly through Enterprise Bargaining Agreements—Council's liability increases correspondingly.

c) Employee wellbeing and performance – Extended periods without taking leave can lead to burnout, reduced productivity, and lower overall employee wellbeing.

d) Operational disruption – If multiple employees opt to take their accrued leave at the same time, this could result in service delivery disruptions and resource constraints.

e) Fraud risk – Long periods without employees taking leave may reduce oversight and increase the risk of undetected fraudulent activity.

f) Compliance risk – Failure to proactively manage excessive leave balances may be viewed as a breach of workplace health and safety obligations, industrial awards, or enterprise agreements.

g) Workforce planning and succession risk – Excess leave balances may delay planned retirements or workforce transitions, complicating recruitment, training, and succession planning efforts.

h) Reputational risk – Auditors' repeated observations and Council's inaction may affect reputation.

Long Service Leave (LSL) and Annual Leave (AL)

During the 2025/2026 financial year, both unused Long Service Leave (LSL) hours and unused Annual Leave (AL) hours have increased. As at 30 June 2026, 10 staff members had more than 300 hours (7.9 weeks) of accrued annual leave, down from 11 staff members on 30 June 2025.

Figures 1 and **2** illustrate the trends in unused LSL and AL hours, as well as their associated financial liabilities, over the past 6 financial years. Key movements for 2025/2026 are:

- LSL hours increased by 1,082 hours or 6%, primarily due to ongoing accruals by existing employees.
- AL hours increased by 3%, equating to an increase of 389 hours.
- LSL liability rose by 12% or $126,088.
- AL liability increased by 8% or $73,667.

Figure 1: Unused Long Service Leave and Annual Leave Hours

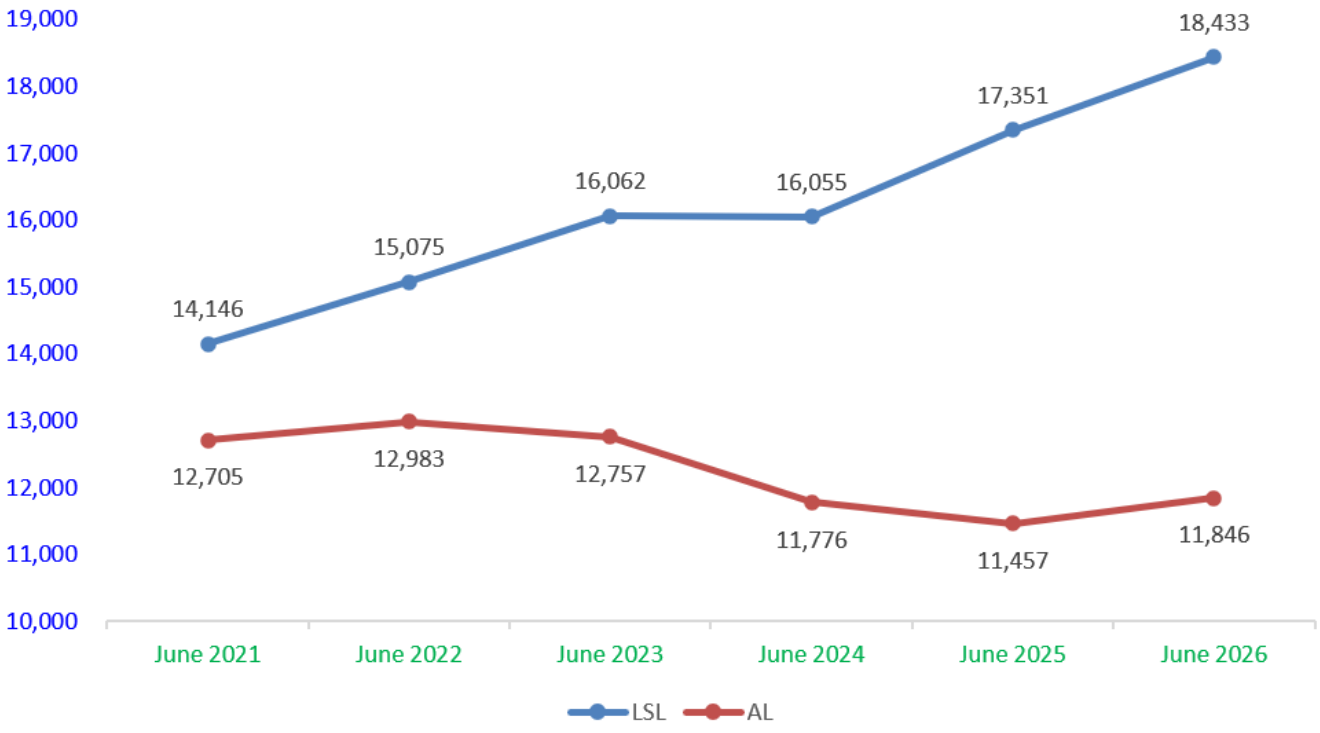
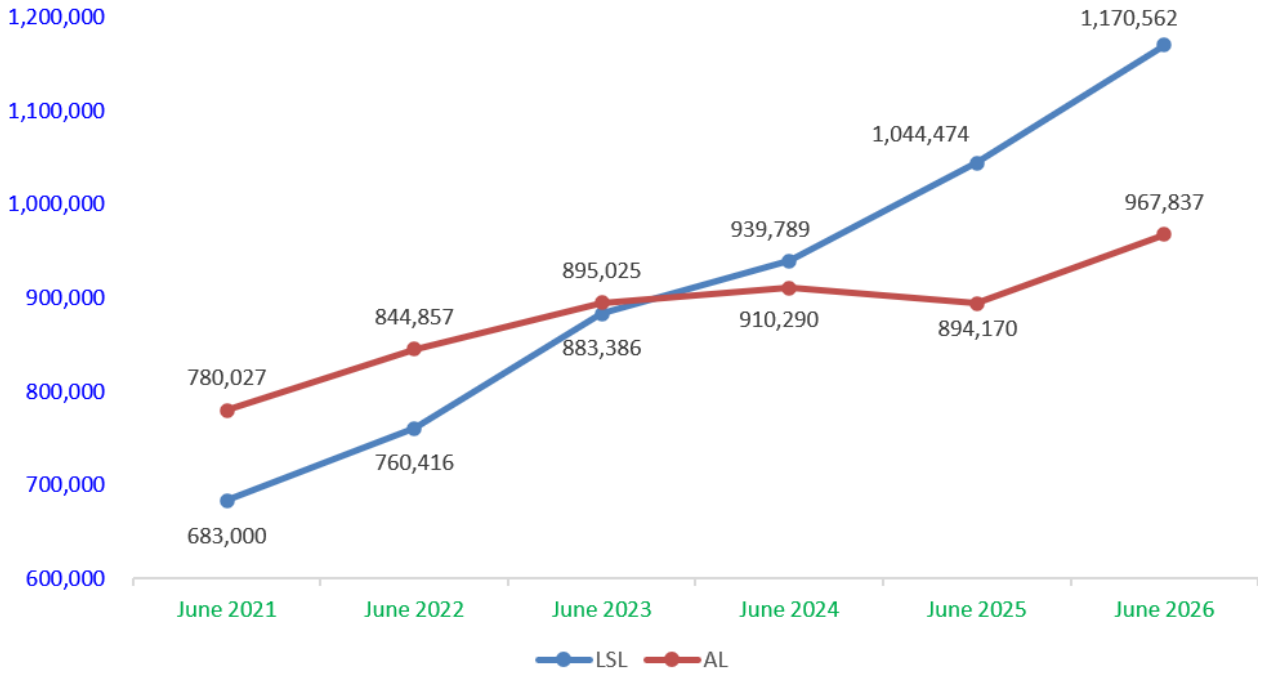


Figure 2: Long Service Leave and Annual Leave Liability ($)



Time in Lieu (TIL) and Rostered Days Off (RDO)

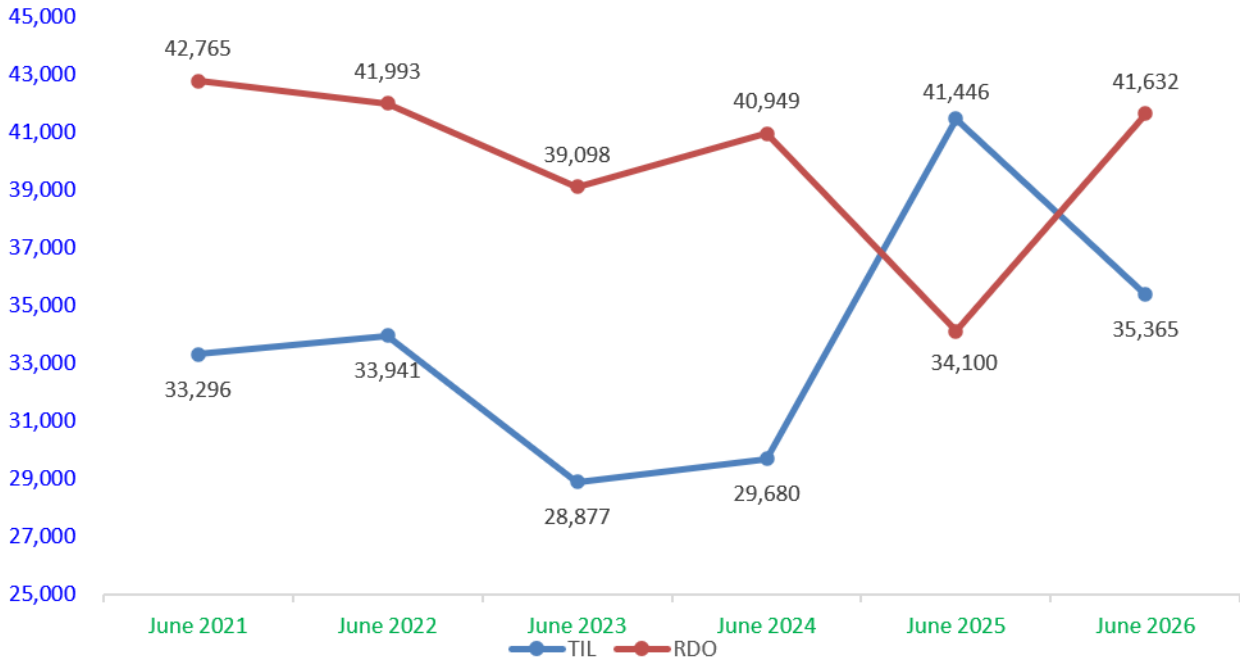
As at the end of the 2025/2026 financial year, unused Time-in-Lieu (TIL) hours decreased by 130 hours or 13%, while unused Rostered Days Off (RDO) hours increased by 96 hours or 17% compared to the previous year (see **Figure 3**). These changes have resulted in:

- A decrease in TIL liability of $6,081
- An increase in RDO liability of $7,532 (see **Figure 4**)

Figure 3: Unused Time in Lieu and Rostered Days Off by hours



Figure 4: Time in Lieu and Rostered Days Off Liability ($)



Leave entitlement reserves (including long service leave, annual leave, and time in lieu) are being utilised for cash flow management in accordance with the *Treasury Management Policy*. The appropriate provisions are maintained as liabilities on the balance sheet and will be updated annually during the finalisation of the year-end financial statements.

References

Legislation

Nil

Council Policies/Plans

Treasury Management Policy

7.9 UPDATE - OVERDUE COUNCIL RATES AS AT 30 JUNE 2026

Record Number: D26/36077

Author: Chief Financial Officer

Authoriser: Chief Executive Officer

Attachments: Nil

RECOMMENDATION

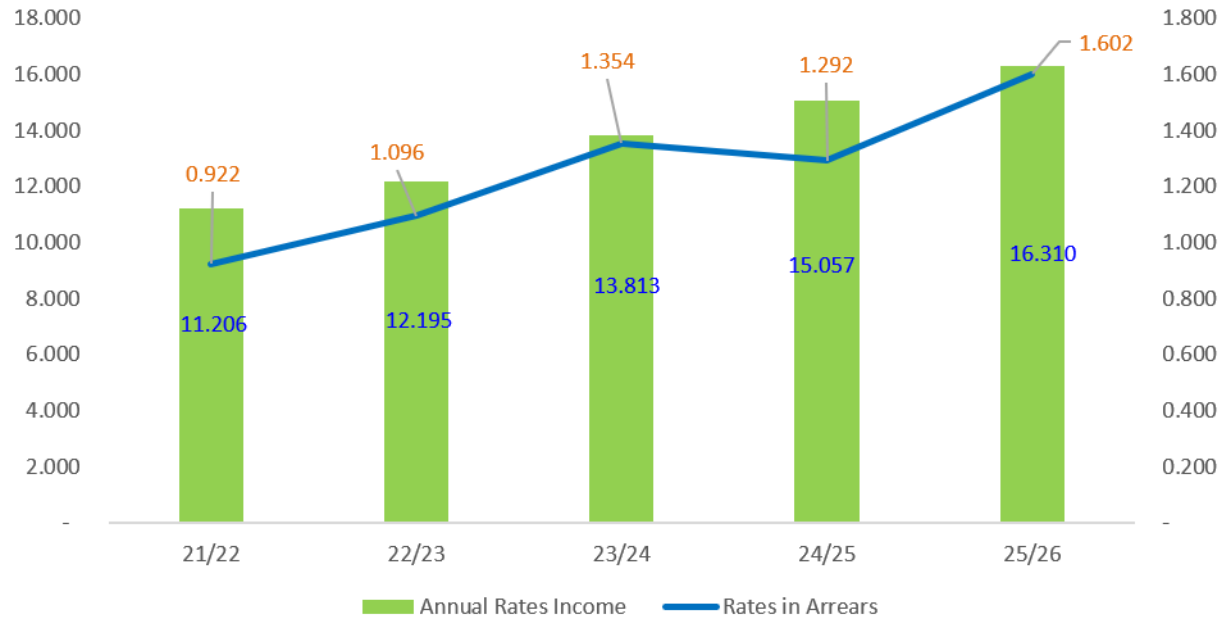
"that the Audit & Risk Committee, having considered Item 7.9 – *Update - Overdue Council Rates as at 30 June 2026*, dated 12 August 2026, notes the report."

Purpose

The purpose of this report is to update the Audit and Risk Committee on Council's overdue rates at the conclusion of the 2025/2026 Financial Year

Discussion

Figure 1: Annual Rates Income and Overdue Rates ($'Mn)



The graph above shows the Council's overdue rates as at 30 June each year since 2021/2022, alongside total rates income for each corresponding financial year. Total rates income—comprising General Rates, CWMS charges, Waste Collection Levy, and the Regional Landscape Levy—has increased by 46% over the five-year period, rising from $11.206m in 2021/2022 to $16.310m in 2025/2026.

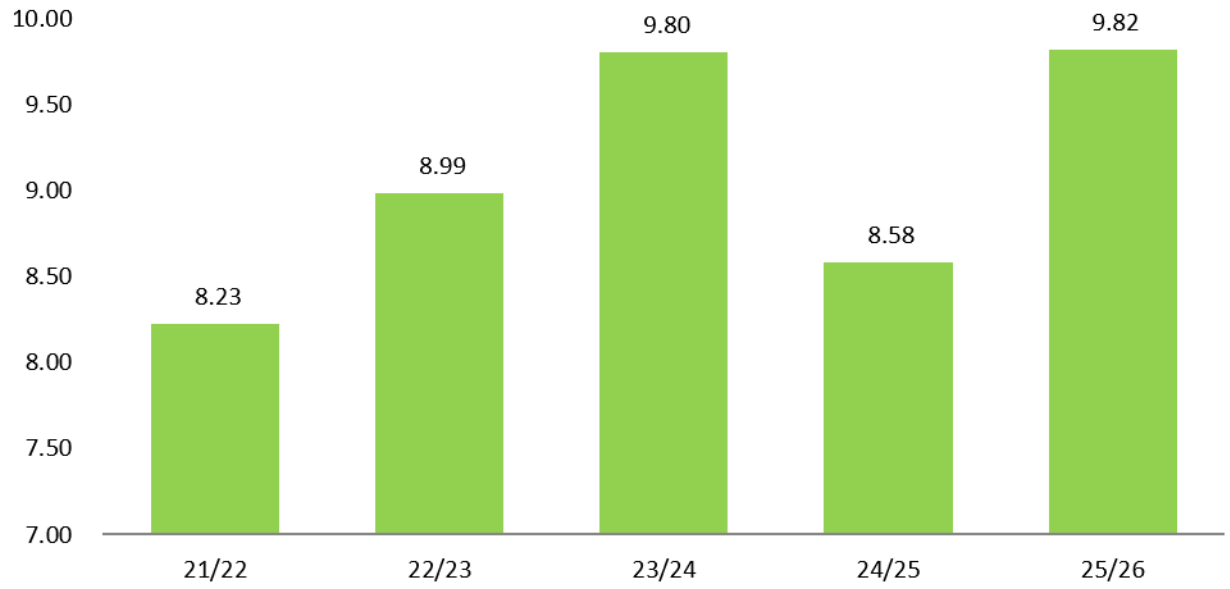
In comparison, overdue rates have grown by 74% (or $0.680m) during the same period mainly due to a spike in overdue rates in 2025/2026 Financial Year by $0.310m.

Post 30 June 2026 recoveries

Between 1 July and 6 August, Council recovered approximately $0.200m in overdue rates. Following the issuance of the rates notices for the current financial year, Council will adopt a more proactive approach to recovering outstanding rates, with a particular focus on arrears that have remained unpaid for more than three years.

Overdue rates as a percentage of total annual rates income have also increased—from 8.23% in 2021/2022 to 9.82% in 2025/2026—as illustrated in **Figure 2** below.

Figure 2: Rates Outstanding as percentage of Total Rates Income



References

Legislation

Local Government Act 1999.

- Section 181 - Payment of rates – general principles
- Section 182 - Remission and postponement of payment
- Section 182A - Postponement of rates – Seniors
- Section 184 - Sale of Land for non-payment of rates

Council Policies/Plans

Rates Arrears and Debtor Management Policy
Financial Hardship Policy and Procedure
Rating Policy

7.10 2025/2026 INTERIM AUDIT

Record Number: **D26/36075**

Author: **Accountant**

Authoriser: **Chief Financial Officer**

Attachments: **1. 2025/2026 Interim Audit Report ⇩**

RECOMMENDATION

"that the Audit & Risk Committee, having considered Item 7.10 – *2025/2026 Interim Audit*, dated 12 August 2026, notes the report."

Purpose

The purpose of this report is to present to the Audit and Risk Committee (the Committee), management report issued by Council's Auditor DeanNewbery (the Auditor) following their interim audit visit for the 2025/2026 Financial Year that took place from 11 May to 12 May 2026.

Background

As advised by DeanNewbery, the interim audit visit covered the following areas:

- Reviewed the Prior Year Audit file and completed Initial Audit Engagement Requirements to confirm 30 June 2025 closing balances (comparative information for the eventual FY26 financial statements);
- Review of internal controls in line with the Local Government Better Practice Model to identify controls which can be relied upon for testing purposes;
- Performed Internal control walkthrough updates of key business operations relating to revenue, expenses and payroll were completed;
- Interim sample transaction testing of operating income (including rates, fees and charges income), grant revenue, operating expenditure and employee payroll was completed;
- Completed a Rates regeneration to confirm the accuracy of rate revenue recognised in the general ledger;
- Review of Council agenda and minute reports were completed to determine if there were any potential issues to be considered within the Audit Plan and whether there were any contingent matters to be considered.

Section 129 (Clause 3) of the *Local Government Act 1999* (the Act) states as follows with regard to audit opinion on internal financial controls: -

> *(3) The auditor must provide to the council—*
> *(a) an audit opinion with respect to the financial statements; and*
> *(b) an audit opinion as to whether the controls audited under subsection (1)(b) are sufficient to provide reasonable assurance that the financial transactions of the council have been conducted properly and in accordance with law.*
> *(4) The auditor must also provide to the council written advice on particular matters arising from an audit.*

(5) The auditor must specifically identify in the advice under subsection (4) any irregularity in the council's accounting practices or the management of the council's financial affairs identified by the auditor during the course of an audit.

(5a) The auditor will provide the opinions under subsection (3) and the advice under subsection (4)—

(a) to the principal member of the council (who must ensure that copies of the documents are provided to the chief executive officer, and that copies are provided to the other members of council for their consideration at the relevant meeting under subsection (5b) or subsection (5c)); and

(b) to the relevant audit and risk committee.

Discussion

The Auditor has made 6 observations, findings and recommendations following the conclusion of the interim audit visit. They are:

1) Prior Year Audit Matters Update

- Asset Management Plans

Comment: Public consultation on the Draft Strategic Assets Management Plan (SAMP) has commenced and will conclude on Monday, 24 August 2026. Following the public consultation period and consideration of feedback received from the Committee at its meeting on 12 August 2026, the SAMP is expected to be presented to Council for adoption at its 16 September 2026 Ordinary Meeting.

- Excessive leave balances

Comment: The Chief Executive Officer (CEO) has already commenced a process to reduce the annual leave balances of relevant employees to 304 hours (as is the minimum threshold set down in Council's Enterprise Agreement) by February 2027; this initiative was reinforced via the setting of the CEO's Key Performance Indicators 2026. This process includes issuing letters to affected employees requesting that they submit a plan before 31 July outlining how they will reduce their annual leave balance to 304 hours or less by February 2027.

2) Corporate Risk Register

Comment: Council administration is currently working with Local Government Association Mutual Liability Scheme to update Council's Risk Registers and regularly report the status of such to the Committee (as detailed in the Risk Management Framework update report in this agenda).

3) Corporate Policy Register

Comment: Council administration acknowledges that 15 of the Council's 66 policies are overdue for review and is committed to completing the outstanding reviews as soon as practicable. Regular updates on the status and currency of Council policies will continue to be provided to the Committee until all overdue policy reviews have been completed.

4) Procurement

Comment: The recommendations arising from the audit will be considered and incorporated, where appropriate, as part of the scheduled review of Council's Procurement Policy in November 2026.

5) Council ICT Network Security Testing

Comment: Council management acknowledges the information outlined by the auditor. IT team is currently reviewing the Cyber Incident Response Plan, which was last updated in 2022. Due to significant changes to Council's systems and software in recent years, together with competing operational priorities, the plan has not been reviewed or updated since that time.

In addition, the IT team will commence the procurement of a suitably qualified third-party provider to undertake penetration testing of Council's IT systems. This assessment will identify areas where Council's cyber security controls are operating effectively, as well as opportunities for improvement. It is anticipated that the penetration testing and resulting report will be completed by April/May next year.

6) Disaster Recovery & Business Continuity Plan Testing

Comment: Without dedicated risk resourcing (internal or external), Council is unable to undertake a formal review and testing program for its Business Continuity and Disaster Recovery Plans on a regular basis, including periodic exercises, scenario-based testing and recovery simulations.

Interim Management Letter issued by DeanNewbery is presented in **Attachment 1**.

The final audit visit is expected to occur in October 2026.

References

Legislation
Local Government Act 1999
Local Government (Financial Management) Regulation 2011

Council Policies/Plans
Audit & Risk Committee Annual Work Program 2025/2026
Audit & Risk Committee Terms of Reference

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3 August 2026

Mr Alan Rushbrook
Independent Chairperson – Audit & Risk Committee
Adelaide Plains Council

Dear Mr. Rushbrook

RE: Interim Report – 2025/26 Financial Year External Audit

We have recently completed our Interim Audit component of the Adelaide Plains Council (**Council**) 2025/26 financial year (**FY26**) external audit.

We are pleased to provide members of the Audit & Risk Committee an update on the status of the FY26 External Audit and wish to advise our work to date has covered the following areas:

- Reviewed the Prior Year Audit file and completed Initial Audit Engagement Requirements to confirm 30 June 2025 closing balances (comparative information for the eventual FY26 financial statements).
- Review of internal controls in line with the Local Government Better Practice Model to identify controls which can be relied upon for testing purposes.
- Performed Internal control walkthrough updates of key business operations relating to revenue, expenses and payroll were completed.
- Interim sample transaction testing of operating income (including rates, fees and charges income), grant revenue, operating expenditure and employee payroll was completed.
- Completed a Rates regeneration to confirm the accuracy of rate revenue recognised in the general ledger.
- Review of Council agenda and minute reports were completed to determine if there were any potential issues to be considered within the Audit Plan and whether there were any contingent matters to be considered.

We wish to provide to you a summary of our observations, findings and recommendations on key audit issues as outlined below:

Liability limited by a scheme approved under Professional Standards Legislation

1. Prior Year Audit Matters Update

As part of our audit transition work conducted given this is the first year of our engagement, we undertook a review of prior year audit matters communicated to the Council and obtained updated information from the Administration on the status of matters raised.

A summary of any outstanding matters from the prior year audit communication issued has been summarised below:

Report Reference	Audit Matter Raised	Updated Status of Matter
FY25 Interim Management Letter	Asset Management Plans	**In progress** – As at the time of preparing this Report, Council has provided a draft Asset Management Plan to Elected Members to consider and to seek approval to commence public consultation. We will continue to monitor this matter as part of future audit attendances to be undertaken.
FY25 Audit Completion Report	Excessive leave balances	**Outstanding** – as at the time of our attendance, the Council continues to have 9 staff with annual leave entitlement balances exceeding 304 hours (deemed excessive per Council's Enterprise bargaining agreement). It has been further noted that Executive staff employee agreements require that staff are not to hold no more than 10 days of annual leave at the close of any employee's anniversary date. Our review noted that all Executive staff were found to have had balances exceeding 10 accrued days of entitlements. We recommend that Council review these balances to ensure compliance with the employment agreements. Should there be a departure from this requirement, Council will need to ensure it take appropriate steps to consult and document its process to comply with Fair Work and other relevant conditions of employment.

2. Corporate Risk Register

The Administration have acknowledged that Council does not have an up-to-date corporate risk register nor has a formal risk assessment been performed recently to align with the Risk Management Policy. Although a Risk Appetite statement has been developed to define the level of risk the 'Council is willing to accept in the pursuit of its objectives', no assessment has been undertaken recently to determine Councils risk level.

The Administration have advised that they are currently working with LGRSMLS to update Councils Risk Registers and regularly report the status of Councils risk registers to the Audit and Risk Committee

We recommend the Administration continue to advise the Audit and Risk Committee of the progress of this matter.

3. Corporate Policy Register

A review of Council's Policy Register identified that 15 of the 66 policies were found to be past their review date. Examples of policies which were found to be overdue for a review, and which required a review to be undertaken:

- Volunteer Management Policy
- Fraud, Corruption, Misconduct and Maladministration Prevention Policy
- Council Vehicle Policy
- Light Fleet, Plant and Heavy Vehicles Replacement Policy
- Waste and Recycling Services Policy

Recommend that Council undertake a review of its Policy Register and put in place a timetable to ensure that all policies are up to date for good governance and internal control purposes.

4. Procurement

A review of a sample of procurement activities undertaken during the financial year identified that Council does not have a Control in place requiring tender evaluation panel members to formally declare the absence of conflicts of interest. Additionally, the Procurement Policy does not require staff to document such declarations.

To support probity throughout the procurement lifecycle, it is recommended that Council update its Procurement Policy to include requirements for conflict-of-interest declarations.

5. Council ICT Network Security Testing

Our review noted that comprehensive ICT security testing has not been undertaken to assess the effectiveness, strength and maturity of the Council's information security framework. In particular, independent penetration testing and vulnerability assessments have not been performed to evaluate the resilience of Council's networks, systems and applications against current cyber security threats.

Without periodic testing, Council may not be aware of vulnerabilities, control weaknesses or configuration issues that could be exploited by malicious actors, potentially resulting in unauthorised access to sensitive information, disruption of critical services, data loss, reputational damage or non-compliance with legislative and regulatory obligations.

Given the reliance on technology to support service delivery, financial management, asset management and record-keeping functions, it is important that Council obtains independent assurance over the security and integrity of its ICT environment.

We recommend that Council either internally undertakes or engages suitably qualified specialists to undertake regular penetration testing and broader ICT security assessments to identify vulnerabilities

within hardware, software, network infrastructure and user access controls. The results of these assessments should be formally reported to management and the Audit and Risk Committee, with identified weaknesses prioritised and addressed through a documented remediation program.

Regular testing will strengthen Council's cyber security posture, enhance the protection of sensitive and confidential information, improve the reliability and integrity of critical systems, and reduce the risk of service interruptions, cyber incidents and data breaches.

6. Disaster Recovery & Business Continuity Plan Testing

Our review noted that Council has documented Business Continuity and Disaster Recovery Plans however, these plans have not been formally reviewed and tested to confirm their effectiveness and suitability in responding to a significant disruption or emergency event.

Without periodic testing, Council cannot obtain assurance that recovery procedures remain current, key personnel understand their roles and responsibilities, critical systems can be restored within required timeframes, and dependencies on third-party service providers and technology infrastructure have been adequately addressed. As Council's organisational structures, systems, processes and risks evolve, business continuity and disaster recovery plans can quickly become outdated if they are not regularly reviewed and validated.

Business Continuity and Disaster Recovery Plans are critical components of Council's risk management framework and are designed to address a range of operational, technological and external risks that may impact Council's ability to deliver essential services to the community. These risks include cyber security incidents, ransomware attacks, system failures, power outages, natural disasters, infrastructure failures, loss of key facilities, telecommunications disruptions and other unforeseen events that could significantly impair Council operations.

Effective continuity planning assists Council in maintaining critical services, protecting community interests, safeguarding information and assets, minimising financial losses, and reducing reputational damage arising from major disruptions.

We recommend that Council undertake a formal review and testing program for its Business Continuity and Disaster Recovery Plans on a regular basis, including periodic exercises, scenario-based testing and recovery simulations. Testing should evaluate the adequacy of documented procedures, communication protocols, system recovery capabilities, backup arrangements and decision-making processes under simulated disruption scenarios.

Regular testing provides the Administration and the Audit and Risk Committee with assurance that Council is adequately prepared to respond to significant incidents and can restore critical operations within acceptable timeframes. It also enhances organisational resilience, improves staff awareness and preparedness, validates recovery assumptions, and reduces the risk that critical weaknesses will only become apparent during an actual emergency.

Summary

We would like to thank the Administration for their valued assistance provided during our recent attendance.

Should you have any further queries, please contact me on the details provided below.

Yours sincerely
DEAN NEWBERY



Samantha Creten
Director

P. 8267 4777
E. samanthac@deannewbery.com.au

C. Chief Executive Officer
C. Mayor

8 QUESTIONS WITHOUT NOTICE

Nil

9 MOTIONS WITHOUT NOTICE

10 URGENT BUSINESS

11 CONFIDENTIAL ITEMS

11.1 INFORMATION TECHNOLOGY UPDATE

It is the recommendation of the Chief Executive Officer that the Information Technology Update be received, discussed and considered in confidence. The Audit and Risk Committee should determine whether it is necessary and appropriate for the matter to be discussed in confidence as provided for by the provisions of sections 90 and 91 of the *Local Government Act 1999* (with a recommendation provided as follows):

RECOMMENDATION

"that:

1. **Pursuant to section 90(2) of the *Local Government Act 1999*, the Audit and Risk Committee orders that all members of the public, except:**
   - **Chief Executive Officer;**
   - **Chief Financial Officer;**
   - **Director Development & Community;**
   - **Director Infrastructure & Environment;**
   - **Acting Director Corporate Services;**
   - **Manager Governance;**
   - **Information Technology Officer;**
   - **Executive Assistant to the CEO/Mayor; and**
   - **Acting Governance Administration Officer/Minute Taker;**

   be excluded from attendance at the meeting of the Audit and Risk Committee for *Item 11.1 Information Technology Update*;

2. **The Audit and Risk Committee is satisfied that pursuant to section 90 (3)(c) and (e) of the *Local Government Act 1999, Item 11.1 Information Technology Update* concerns confidential information relating to Council's information technology on the basis that,**
   - **It's disclosure would reveal a trade secret; AND**
   - **It involves matters which affect the security of Council, members or employees of Council, or Council property; or the safety of any person.**

3. **The Audit and Risk Committee is satisfied that the principle that Committee meetings should be conducted in a place open to the public has been outweighed by the need to keep the information, matter and discussion confidential."**

RECOMMENDATION

"that the Audit and Risk Committee, having considered the matter of *Item 11.1 Information Technology Update*; in confidence under sections 90(3) (c) and (e) of the *Local Government Act 1999*, resolves:

1. That:

- **the report**

pertaining to Item *11.1 Information Technology Update*;, remain confidential and not available for public inspection until further order of Council;

2. Pursuant to section 91(9)(a) of the *Local Government Act 1999*, the confidentiality of the matter will be reviewed every 12 months; and

3. Pursuant to section 91(9)(c) of the *Local Government Act 1999*, the Audit and Risk Committee delegates the power to revoke this confidentiality order to the Chief Executive Officer."

12 NEXT MEETING

13 CLOSURE