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
Old Port Wakefield Road
Two Wells

on

Wednesday 4 November 2026 at 1:00pm

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 - 12 August 2026

"that the minutes of the Audit and Risk Committee Meeting held on 12 August 2026 (MB Folios 424 to 434 inclusive), be accepted as read and confirmed."

3.2 Confirmation of Minutes - Special Audit & Risk Committee Meeting - 3 September 2026

"that the minutes of the Special Audit and Risk Committee Meeting held on 3 September 2026 (MB Folios 435 to 439 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 12 August 2026 at 2:00PM

The Chairperson formally declared the meeting open at 2:01pm.

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

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
Manager Governance	Ms Rachel Kammermann
Acting Procurement Advisor	Ms Carmel Vandermolen
Executive Assistant to the CEO/Mayor	Ms Susan Cook
Acting Governance Administration Officer/Minute Taker	Ms Bree-Anna Pervan

2.2 Apologies

Nil

3 MINUTES

3.1 CONFIRMATION OF MINUTES - AUDIT & RISK COMMITTEE MEETING - 3 JUNE 2026

COMMITTEE RESOLUTION 2026/71

Moved: Mr Fairlie-Jones
Seconded: Mr Scargill

"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."

CARRIED

4 BUSINESS ARISING

Nil

5 DECLARATION OF MEMBERS' INTEREST

Nil

6 REPORTS FOR DECISION

6.1 DRAFT - ASSET MANAGEMENT PLAN

Director Infrastructure & Environment gave a 2 minute oral briefing on the draft Summary Asset Management Plan.

COMMITTEE RESOLUTION 2026/72

Moved: Mr Rushbrook
Seconded: Mr Fairlie-Jones

"that the Audit and Risk Committee, having considered Item 6.1 – *Draft - Summary Asset Management Plan*, dated 12 August 2026, notes the report and considers it suitable for public consultation."

CARRIED

6.2 DRAFT - LONG TERM FINANCIAL PLAN 2027-2036

Chief Financial Officer gave a 3 minute oral briefing on the draft Long Term Financial Plan 2027-2036.

COMMITTEE RECOMMENDATION

Moved: Mr Rushbrook

"that the Audit & Risk Committee, having considered Item 6.2 – *Draft - Long Term Financial Plan 2027-2036*, dated 12 August 2026, request the Chief Executive Officer bring a further report back to the Committee which will include:

1. Capital contribution to major new projects;
2. Scenario analysis for lower development growth; and
3. Reconsideration of Two Wells Town Centre income;

in the draft 2027-2036 Long Term Financial Plan."

Ms Best left the meeting at 3:20pm.
Ms Best returned to the meeting at 3:22pm.

COMMITTEE RESOLUTION 2026/73

Moved: Mr Rushbrook
Seconded: Mr Fairlie-Jones

"that the Audit & Risk Committee, having considered Item 6.2 – *Draft - Long Term Financial Plan 2027-2036*, dated 12 August 2026, request the Chief Executive Officer bring a further report back to the Committee which will include:

1. Capital contribution to major new projects;
2. Scenario analysis for lower development growth; and
3. Reconsideration of Two Wells Town Centre income;

in the draft 2027-2036 Long Term Financial Plan."

CARRIED

6.3 UPDATE - ANNUAL WORK PROGRAM 2025/2026

COMMITTEE RESOLUTION 2026/74

Moved: Ms Best
Seconded: Mr Scargill

"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."

CARRIED

6.4 DRAFT - ANNUAL WORK PROGRAM 2026/2027

COMMITTEE RESOLUTION 2026/75

Moved: Mr Fairlie-Jones
Seconded: Ms Best

"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. **Move Item 9.1 to become new Item 8.9;**
2. **Add a new item 'Report on councils response to ESCOSA recommendations' – Annually; and**
3. **Add 'August 2027' to Item 1.3."**

CARRIED

7 REPORTS FOR INFORMATION

7.1 UPDATE - COMMITTEE RESOLUTIONS

COMMITTEE RESOLUTION 2026/76

Moved: Ms Best
Seconded: Cr Panella

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

CARRIED

7.2 UPDATE - COUNCIL POLICY REVIEWS

COMMITTEE RESOLUTION 2026/77

Moved: Cr Panella
Seconded: Ms Best

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

CARRIED

7.3 UPDATE - RISK MANAGEMENT FRAMEWORK

COMMITTEE RESOLUTION 2026/78

Moved: Mr Rushbrook
Seconded: Ms Best

"that Council, having considered Item 7.3 – *Update - Risk Management Framework*, dated 12 August 2026, notes the report and expresses concern at:

1. **The lack of progress towards the maintenance and development of Council's Risk Management Framework;**
2. **The protracted timeframe for completion of Phase 2 LGAMLS Scope of Works;**
3. **And in consideration of 1 and 2 above request that Council give consideration to ensuring that adequate resources are provided to progressing the development of Council's Risk Management Framework on a more timely basis, supported by a formal report."**

CARRIED

7.4 WORKPLAN - INDEPENDENT PROCUREMENT REVIEW

COMMITTEE RESOLUTION 2026/79

Moved: Mr Rushbrook
Seconded: Mr Fairlie-Jones

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

CARRIED

7.5 PROCUREMENT POLICY EXEMPTIONS - JANUARY TO JUNE 2026

COMMITTEE RESOLUTION 2026/80

Moved: Mr Scargill
Seconded: Ms Best

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

CARRIED

7.6 CREDIT CARD EXPENDITURE - JANUARY TO JUNE 2026

COMMITTEE RESOLUTION 2026/81

Moved: Ms Best
Seconded: Mr Fairlie-Jones

"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."

CARRIED

7.7 REVIEW - COUNCIL INVESTMENT & BORROWINGS - 2025/2026

COMMITTEE RESOLUTION 2026/82

Moved: Mr Rushbrook
Seconded: Mr Fairlie-Jones

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

CARRIED

7.8 UPDATE - LEAVE LIABILITY AS AT 30 JUNE 2026

COMMITTEE RESOLUTION 2026/83

Moved: Mr Fairlie-Jones
Seconded: Mr Scargill

"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."

CARRIED

7.9 UPDATE - OVERDUE COUNCIL RATES AS AT 30 JUNE 2026

COMMITTEE RESOLUTION 2026/84

Moved: Ms Best
Seconded: Mr Fairlie-Jones

"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."

CARRIED

7.10 2025/2026 INTERIM AUDIT

COMMITTEE RESOLUTION 2026/85

Moved: Ms Best
Seconded: Mr Fairlie-Jones

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

CARRIED

8 QUESTIONS WITHOUT NOTICE

Nil

9 MOTIONS WITHOUT NOTICE

Nil

10 URGENT BUSINESS

The Chairperson sought leave of the meeting to bring forward Item 11.1 – *Information Technology Update*.

Leave was granted.

11 CONFIDENTIAL ITEMS

11.1 INFORMATION TECHNOLOGY UPDATE

COMMITTEE RESOLUTION 2026/86

Moved: Cr Panella
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;**
   - **Manager Governance;**
   - **Acting Procurement Advisor;**
   - **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."

CARRIED

11.1 INFORMATION TECHNOLOGY UPDATE

COMMITTEE RESOLUTION 2026/87

Moved: Cr Panella
Seconded: Mr Fairlie-Jones

"that Council, having considered Item 11.1 – *Information Technology Update*, dated 12 August 2026, notes the report."

CARRIED

COMMITTEE RESOLUTION 2026/88

Moved: Cr Panella
Seconded: Ms Best

"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."

CARRIED

10 URGENT BUSINESS

RECOMMENDATION

Moved: Mr Fairlie-Jones
Seconded: Mr Scargill

"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;**
   - **Manager Governance;**
   - **Acting Procurement Advisor;**
   - **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 10 - *Urgent Business*;

2. **The Audit and Risk Committee is satisfied that pursuant to sections 90 (3)(b) and (d) of the *Local Government Act 1999*, information to be discussed or considered in relation to Item 10 – *Urgent Business* is of a confidential nature, the disclosure of which could reasonably be expected to:**
   - **confer a commercial advantage on a person with whom Council is conducting and proposing to conduct, business, and/or to prejudice the commercial position of Council; AND**
   - **prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party;**

   and would, on balance, be contrary to the public interest;

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 Chief Executive Officer gave a 3 minute oral briefing on the Two Wells Town Centre.

The Chief Executive Officer gave a 2 minute oral briefing on Council Aged Units – Walara Proposal.

12 NEXT MEETING

4 November 2026

13 CLOSURE

There being no further business, the Chairperson declared the meeting closed at 5:02pm.

Confirmed as a true record.

Chairperson:.....

Date: ____/____/____

MINUTES

of the

Special Audit & Risk Committee Meeting

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

Council Chamber
Redbanks Road
Mallala

on

Thursday 3 September 2026 at 2:00PM

The Chief Executive Officer formally declared the meeting open at: 2:11pm.

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 Peter Scargill (Acting Chairperson) (*via electronic means*)

Ms Julie Best (Independent Member) (*via electronic means*)

Mr Peter Fairlie-Jones (Independent Member) (*via electronic means*)

Councillor Margherita Panella (Elected Member) (*via electronic means*)

Also in Attendance

Chief Executive Officer	Mr James Miller
Chief Financial Officer	Mr Rajith Udugampola
Acting Director Corporate Services	Ms Amy Fagan
Manager Governance	Ms Rachel Kammermann
Acting Procurement Advisor	Ms Carmel Vandermolen
Executive Assistant to the CEO/Mayor	Ms Susan Cook
Acting Governance Administration Officer/Minute Taker	Ms Bree-Anna Pervan

2.2 Apologies

Mr Alan Rushbrook (Chairperson)

In accordance with 3.1(bb) of the Committee's Terms of Reference, the Chief Executive Officer called members to submit for nominations to appoint a person from those present at the meeting to act as the presiding member for the duration of the meeting.

Mr Scargill nominated himself.

COMMITTEE RESOLUTION 2026/90

Moved: Mr Scargill
Seconded: Mr Fairlie-Jones

"that Mr Peter Scargill be appointed to act as presiding member for the duration of the meeting, in accordance with 3.1(bb) of the Committee's Terms of Reference."

.CARRIED UNANIMOUSLY

Mr Scargill assumed the role of Chairperson for the remainder of the meeting.

3 BUSINESS ARISING

Nil

4 DECLARATION OF MEMBERS' INTEREST

Nil

5 REPORTS FOR DECISION

5.1 SCENARIO ANALYSIS – DRAFT LONG TERM FINANCIAL PLAN 2026–2035

COMMITTEE RESOLUTION 2026/91

Moved: Mr Fairlie-Jones

Seconded: Ms Best

"that the Audit and Risk Committee, having considered Item 5.1 – *Scenario Analysis – Draft Long Term Financial Plan 2026–2035*, dated 3 September 2026, recommend to Council that the draft 2026-2035 Long Term Financial Plan presented to the 12 August meeting of the Audit and Risk Committee is suitable for public consultation subject to following changes:

1. Update draft 2026-2035 Long Term Financial Plan based on Scenario 2; and

2. Future annual reviews of the LTFP should pay particular attention to:

(a) actual development growth compared with the assumptions incorporated in the LTFP;

(b) the timing and value of the TWTC income;

(c) confirmation and timing of grant funding for major capital projects;

(d) the timing and affordability of major capital expenditure;

(e) growth in operating expenditure and service delivery costs; and

(f) the impact of these factors on Council's Operating Surplus Ratio and NFL Ratio."

CARRIED

6 QUESTIONS WITHOUT NOTICE

Nil

7 MOTIONS WITHOUT NOTICE

Nil

8 URGENT BUSINESS

Nil

9 CONFIDENTIAL ITEMS

9.1 UPDATE - COUNCIL OWNED UNITS

COMMITTEE RESOLUTION 2026/92

Moved: Cr Panella
Seconded: Mr Fairlie-Jones

"that:

3. 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 Corporate Services;**
- **Manager Governance;**
- **Acting Procurement Advisor**
- **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 *9.1 Update - Council Owned Units*;

2. The Audit and Risk Committee is satisfied that pursuant to section 90(3)(b) of the *Local Government Act 1999,* Item *9.1 Update - Council Owned Units* concerns information of a confidential nature, the disclosure of which would involve the unreasonable disclosure of information 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 whom Council is considering doing business with prior to any agreement; and

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 2:29pm.

COMMITTEE RESOLUTION 2026/94

Moved: Cr Panella
Seconded: Ms Best

"that the Audit and Risk Committee, having considered the matter of Item 9.1 – *Update – Council Owned Units* in confidence under section 90(3) (b) of the *Local Government Act 1999*, resolves:

1. **That:**
   - **the report;**
   - **Attachment 1;**
   - **Attachment 2; and**
   - **minutes**

   pertaining to Item 9.1 – *Update – Council Owned Units*, 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."**

CARRIED

The meeting re-opened to the community at 3:30pm.

10 NEXT MEETING

Wednesday, 4 November 2026 at 2:00pm.

11 CLOSURE

There being no further business, the Chairperson declared the meeting closed at 3:32pm.

Confirmed as a true record.

Chairperson:.....

Date: ____/____/____

4 BUSINESS ARISING

5 DECLARATION OF MEMBERS' INTEREST

6 PRESENTATIONS

6.1 BRM ADVISORY - COUNCIL OWNED UNITS - PRUDENTIAL REVIEW

Record Number: **D26/52366**

Author: **Chief Executive Officer**

Authoriser: **Chief Executive Officer**

Attachments: **Nil**

BRM Advisory will be in attendance to present the findings of the prudential review on Council's Owned Units.
In the interest of timing around the agenda release, the Chief Executive Officer advises that the BRM Advisory prudential review report will be distributed, in confidence, under separate cover on Monday, 2 November 2026.

It is the recommendation of the Chief Executive Officer that the presentation by BRM Advisory regarding Council Owned Units – Prudential Review 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;**
   - **Acting Director Corporate Services;**
   - **Director Infrastructure & Environment;**
   - **Manager Governance;**
   - **Executive Assistant to the CEO/Mayor; and**
   - **Governance Administration Officer/Minute Taker;**

   be excluded from attendance at the meeting of Council for Item 6.1 – *BRM Advisory - Council Owned Units – Prudential Review.*

2. **The Audit and Risk Committee is satisfied that pursuant to section 90(3)(b) of the *Local Government Act 1999,* Item 6.1 – *BRM Advisory - Council Owned Units – Prudential Review* concerns commercial information of a confidential nature, the disclosure of which could reasonably be expected to confer a commercial advantage on a person with whom Council is proposing to conduct business and/or prejudice the commercial position of Council and would, on balance, be contrary to the public interest on the basis it would involve disclosure of a proposal by a third party with whom Council is considering doing business with prior to any agreement; and**

3. **The Audit and Risk Committee is satisfied that the principle that 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."**

7 REPORTS FOR DECISION

7.1 DRAFT - AUDITED FINANCIAL STATEMENTS 2025/2026

Record Number: D26/49664

Author: Chief Financial Officer

Authoriser: Chief Executive Officer

Attachments:
1. **Draft - Management Representation Letter 2025/2026** ⇩
2. **Draft - Audited Financial Statement 2025/2026** ⇩
3. **External Audit Completion Report 2025/2026** ⇩
4. **Variances in Statement of Comprehensive Income** ⇩

EXECUTIVE SUMMARY

- The purpose of this report is to provide the Audit and Risk Committee (the Committee) members with the draft audited 2025/2026 Financial Statement (**Attachment 2**) for their review and consideration prior to its adoption by the Council at the Ordinary Council meeting scheduled for 18 November 2026.
- Council achieved an operating surplus of $0.882m, compared with $1.724m in 2024/2025. The decrease in the operating surplus reflects increased rate revenue being offset by higher expenditure on employee costs, depreciation, and materials, contracts and other expenses, despite a reduction in interest on loans.
- Total assets grew from $220m to $231m, an increase of $11m, primarily driven by infrastructure revaluations and capital investment. Total liabilities decreased from $13.463m to $12.375m, due to combined impact of reductions in borrowings and increase in trade & payables and provisions. Consequently, net assets (equity) increased from $206.465m to $218.719m from the prior year.
- The Independent Auditor's Report, issued by Council's external auditor Samantha Creten of DeanNewbery, concludes that Council's financial statements present fairly, in all material respects, its financial position as of 30 June 2026 and its financial performance for the year then ended. The Assurance Report on Internal Controls further confirms compliance with Section 125 of the *Local Government Act 1999*. Accordingly, the Council has received an unmodified audit opinion on the financial report and internal controls.
- Three audit matters were noted in the External Audit completion Letter (please refer to the page 11 of the **Attachment 3**). They are:
    - Higher overdue rates as of 30 June 2026;
    - Council assess its legal and constructive obligations relating to the rehabilitation of rubble pits and recognise an appropriate restoration provision to reflect current cost estimates and all restoration requirements; and
    - Infrastructure and Assets Management Plan and Long-Term Financial Plan not being up-to-date
- Council's key financial sustainability indicators remain within or better than Local Government Association (LGA) recommended ranges as stated below:
    - Operating Surplus Ratio: +4.1% and Adjusted Operating Surplus Ratio: -0.6%
    - Net Financial Liabilities Ratio: 43%
    - Asset Renewal Funding Ratio: 112%

- Overall, the 2025/2026 results confirm that the Council is operating within a sound financial framework, maintaining effective internal controls, and is well positioned to meet its long-term financial and service delivery objectives.

RECOMMENDATION 1

"that the Audit and Risk Committee, having considered Item 7.1 – *Draft - Audited Financial Statements 2025/2026*, dated 4 November 2026, notes the report and the draft Annual Financial Statements for the 2025/2026 Financial Year, and associated notes forming part of the Annual Financial statements."

RECOMMENDATION 2

"that the Audit and Risk Committee, having considered Item 7.1 – *Draft - Audited Financial Statements 2025/2026*, dated 4 November 2026, acknowledges that it has reviewed the Annual Financial Statements for the year ended 30 June 2025, and formed the opinion they present fairly the state of affairs of the council, and recommends to Council they be formally adopted and be certified on behalf of Council by the Mayor and Chief Executive Officer, subject to adjustment to the ……."

RECOMMENDATION 3

"that the Audit and Risk Committee, having considered Item 7.1 – *Draft - Audited Financial Statements 2025/2026*, dated 4 November 2026, authorises its Chairman to sign the Certification of Auditor Independence."

RECOMMENDATION 4

"that the Audit and Risk Committee, having considered Item 7.1 – *Draft - Audited Financial Statements 2025/2026*, dated 4 November 2026 acknowledges that Council's independent auditor, Samantha Creten of DeanNewbery, intends to issue an unmodified opinion in relation to the Financial Statements and the Internal Financial Controls of Council for the 2025/2026 Financial Year."

BUDGET IMPACT

Estimated Cost:	An audit fee of $18,800
Future ongoing operating costs:	Not applicable
Is this Budgeted?	Not applicable

RISK ASSESSMENT

Nil

DETAILED REPORT

Purpose

The purpose of this report is to present the draft 2025/2026 Audited Annual Financial Statements to the Audit & Risk Committee (the Committee) for comment and consideration in accordance with the Section 126 (4) of the *Local Government Act 1999* (the Act) and *Local Government (Financial Management) Regulations 2026* (the Regulations).

Background

The 2025/2026 audited annual financial statements and notes have been prepared in accordance with Section 127 of the Act and the Regulations. Regulation 14 requires that the Financial Statements of a Council be prepared in accordance with the requirements set out in the Model Financial Statements.

Section 126 (4) (a) of the Act requires that the functions of a Committee to include *"reviewing annual financial statements to ensure that they present fairly the state of affairs of the council"*.

In-camera session with Council Auditor

With regard to the in-camera meeting with Council Auditors, Section 20 of the *Local Government (Financial Management) Regulations 2026* states as follows:

"20—Requirement to liaise with council auditor

For the purposes of sections 126(4)(e) and 126A(4)(e) of the Act—

a. a council audit and risk committee must liaise with the council's auditor by meeting with the auditor on at least 1 occasion each year on a confidential basis in circumstances where—

i. a majority of the members of the committee are present; and

ii. no members or employees of the council are present (other than members who are members of the committee) …."

Discussion

Draft Management Representation Letter

Management confirms that, to the best of its knowledge, the 2025/2026 Financial Statements present a true and fair view of Council's financial position as at 30 June 2026. Accordingly, the draft Management Representation Letter provided in **Attachment 1** will be issued as part of the audit of the 2025/2026 Financial Statements.

Draft Audited Financial Statements and audit opinion

The Council's external auditor, Samantha Creten of DeanNewbery (the Auditor), has audited the financial statements of Adelaide Plains Council, which are contained in **Attachment 2**. These statements include Statement of:-

i. Comprehensive Income for the year ending 30 June 2026;

ii. Financial Position as of 30 June 2026;

iii. Changes in Equity as of 30 June 2026;

iv. Cash Flows for the year ending 30 June 2026; and

v. Notes to the financial statements

The Auditor has indicated in her draft Independent Auditors Report on the Financial Report (**Attachment 3 – Pages 16 & 17**) that, in her opinion *"……financial report presents fairly, in all material aspects, the financial position of the Council as at 30 June 2026, and its financial performance and its cash flows for the year then ended in accordance with the Local Government Act 1999, Local Government (Financial Management) Regulations 2011 and the Australian Accounting Standards."*

Independent Assurance Report on Internal Controls 2026

With regard to Council's Independent Assurance Report on the Internal Controls, the auditor has concluded that *"…. the Adelaide Plains Council (the Council) has complied, in all material respects, with Section 125 of the Local Government Act 1999 in relation to the Internal Controls established by the Council relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities so as to provide reasonable assurance that the financial transactions of the Council have been conducted properly and in accordance with law for the period 1 July 2025 to 30 June 2026."*. The draft Independent Auditor's Report on Internal Controls is included in **Attachment 3 – Page 18**.

Matters to be Addressed in Future Financial Years

The auditor has identified three matters to be addressed in future financial years:

- Higher overdue Council rates as of 30 June 2026.
- Council assess its legal and constructive obligations relating to the rehabilitation of rubble pits and recognise an appropriate restoration provision to reflect current cost estimates and all restoration requirements
- updates Infrastructure & Asset Management Plan and the Long-Term Financial Plan.

Further details regarding these are provided in **Attachment 3** – **Page 11.**

Council administration response to the above audit matters

- The recovery of overdue rates is a key priority in the current financial year. An update on the overdue rates will be provided to the next Committee meeting in February 2027.
- Quarry reinstatement works will be undertaken by contractors and will include topsoil spreading and stone picking. The extent and cost of these works cannot be accurately estimated at this stage, as they will depend on the area quarried and the final remediation requirements agreed with the landowner.
- Summary Assets Management Plan was adopted by the Council at its meeting held on 16 September 2026.
- Public consultation of the draft Long-Term Financial Plan 2026–2035 has been concluded and a report addressing the consultation outcomes and any proposed amendments to the draft LTFP will be presented to the Ordinary Council meeting on 18 November 2026 for consideration and adoption.

Auditor's Independence Declaration

As stated by the Auditor (see **Attachment 3 – Page 5**), Council management can confirm that throughout the audit of the Council's financial statements, the auditor has maintained independence and received no financial benefit from the Council during the 2025/2026 financial year, other than the fee for auditing the Council's annual financial statements.

Statement of Comprehensive Income

In the 2025/2026 Financial Year, the Council is reporting an operating surplus of $0.882m, compared to an operating surplus of $1.724m in the previous year. For a comparison of the Statement of Comprehensive Income, please refer to **Table 1** below.

Table 1: Statement of Comprehensive Income

Description	2025/2026 Actual $	2024/2025 Actual $	Favourable/ (Unfavourable) $	Favourable/ (Unfavourable) %
INCOME				
Rates	16,342,886	15,056,782	1,286,104	9
Statutory charges	587,429	701,994	(114,565)	(16)
User charges	257,015	251,152	5,863	2
Grants, subsidies and contributions	4,001,099	4,035,327	(34,228)	(1)
Investment income	17,430	9,068	8,362	92
Reimbursements & Other Income	404,456	327,790	76,666	23
Total Income	**21,610,315**	**20,382,113**	**1,228,202**	**6**
EXPENSES				
Employee costs	7,748,456	6,996,418	(752,038)	(11)
Materials, contracts & other expenses	7,571,854	6,447,518	(1,124,336)	(17)
Depreciation	4,762,218	4,550,257	(211,960)	(5)
Finance costs	496,445	554,779	58,334	11
Council share of Net loss at GRFMA	149,119	109,224	(39,895)	(37)
Total Expenses	**20,728,092**	**18,658,196**	**(2,069,896)**	**(11)**
OPERATING SURPLUS/(DEFICIT)	**882,223**	**1,723,917**	**(841,694)**	**(49)**
Asset disposal & fair value adjustments	(58,720)	(300,855)	242,135	80
Capital Grants	551,215	1,507,611	(956,396)	(63)
Donated Assets	194,500	5,173,146	(4,978,646)	(96)
NET SURPLUS	**1,569,218**	**8,103,819**	**(6,534,600)**	**(81)**
Other Comprehensive Income				
Changes in assets revaluation	10,726,926	27,486,916	(16,759,991)	(61)
Total Other Comprehensive Income	**10,726,926**	**27,486,916**	**(16,759,991)**	**(61)**
TOTAL COMPREHENSIVE INCOME	**12,296,144**	**35,590,735**	**(23,294,590)**	**(65)**

The reasons for the major variances in the 2025/2026 actual income and expenses compared to those of 2024/2025 are explained in **Attachment 4**.

Statement of Financial Position

Comparison of audited Statement of Financial Position on 30 June is given below in **Table 2**.

Table 2: Statement of Financial Position

Description	30 June 2026 Actual $	30 June 2025 Actual $	Favourable/ (Unfavourable) $	%
ASSETS				
Current Assets				
Cash and cash equivalents	300,585	287,450	13,135	5
Trade & other receivables	2,716,335	1,742,929	973,406	56
Inventories	465,590	472,204	(6,615)	(1)
Total Current Assets	**3,482,510**	**2,502,583**	**979,927**	**39**
Non-current Assets				
Equity accounted investments in Council businesses	10,455,780	10,646,527	(190,747)	(2)
Infrastructure, property, plant & equipment	214,374,081	204,571,204	9,802,877	5
Other non-current assets	2,782,215	2,207,961	574,254	26
Total Non-current Assets	227,612,076	217,425,692	10,186,384	5
Total Assets	**231,094,586**	**219,928,275**	**11,166,311**	**5**
LIABILITIES				
Current Liabilities				
Trade & other payables	3,379,469	1,443,982	(1,935,487)	(134)
Borrowings	27,715	26,522	(1,193)	(4)
Provisions	1,835,622	1,691,769	(143,853)	(9)
Total Current Liabilities	**5,242,806**	**3,162,273**	**(2,080,533)**	**(66)**
Non-current Liabilities				
Borrowings	6,829,596	10,054,242	3,224,646	32
Provisions	302,783	246,875	(55,908)	(23)
Total Non-current Liabilities	**7,132,379**	**10,301,117**	**3,168,738**	**31**
Total Liabilities	**12,375,185**	**13,463,390**	**1,088,205**	**8**
NET ASSETS	**218,719,401**	**206,464,885**	**12,254,516**	**6**
EQUITY				
Accumulated Surplus	64,158,627	62,589,409	1,569,218	3
Asset Revaluation Reserves	154,480,438	143,795,140	10,685,298	7
Other Reserves	80,336	80,336	-	-
TOTAL EQUITY	**218,719,401**	**206,464,885**	**12,254,516**	**6**

Total Assets

Council's total asset base has increased from $220m on 30 June 2025 to $231m on 30 June 2026, representing a net increase of $11m. The key factors contributing to this movement are as follows:

- Rates and Other Debtors: Increased by $0.743m, primarily due to;
  - Increase in rates debtors by $0.310m as ratepayers with long-term outstanding balances continuing to accumulate unpaid rates during the 2025/2026 financial year;
  - Increase in general debtors by $0.433m, mainly due to grant of $0.333m receivable from the State Government.
- GST Receivable increase by $0.154m:
- Increase in Capital Works-in-Progress by $0.574m as the Two Wells Levee project was not completed by 30 June 2026.
- The carrying value of the infrastructure, property, plant & equipment assets increase by $9.803m due to combined impact of:
  - $4.054m invested in asset renewal, new, and upgraded assets during 2025/2026.
  - Depreciation: A non-cash expense of $4.762m recognised for the year.
  - Asset Revaluation: Upward revaluation of Council's fixed assets on 1 July 2025, resulting in a $10.727m increase in asset value.

Total Liabilities

Council's total liabilities decreased from $13.463m on 30 June 2025 to $12.375m on 30 June 2026, representing a reduction of $1.088m. The key factors contributing to this movement are as follows:

- Long-Term Debenture Loans: Decreased by $0.027m following the payment of six-monthly loan instalments.
- Short-Term Borrowings: Reduced by $3.225m. Of this decrease, $0.560m is attributable to a grant received under the Special Local Roads Program for the sealing of Hart Road and $0.916m received from the South Australian Government for the sealing of the Thompson Beach Esplanade that remained unspent on 30 June 2026. Excluding these grants, the reduction in Council's net short-term borrowings for the 2025/2026 financial year would amount to $1.749m.
- Trade Creditors and Other Payables: Increased by $1.935m.
- Accrued interest payable on loans: increase by $0.029m
- Provisions: Increased by $0.200m, reflecting higher financial liabilities arising from additional unused staff leave entitlements.

Financial Indicators

The following table presents Council's audited financial indicators for the 2025/2026 financial year alongside those from the previous four (4) financial years.

Table 3: Financial Indicators

Financial Ratio	25/26	24/25	23/24	22/23	21/22

Operating Surplus/(Deficit) - $'000	0.882	1,724	(4.298)	(0.986)	1.054
Operating Surplus Ratio - %	4.1	8.5	(26.8)	(6.1)	7.0
Adjusted Operating Surplus/(Deficit) - $'000	(114)	417	(2,676)	(1,849)	551
Adjusted Operating Surplus Ratio - %	(0.6)	2.2	(16.7)	(11.5)	4.00
Net Financial Liabilities Ratio - %	43	56	81	70	29
Adjusted Net Financial Liabilities Ratio - %	55	66	74	87	39
Asset Renewal Funding Ratio - %	112	102	110	68	113

Note: LGA recommended range for ratios on average over long term

- *Operating Surplus Ratio - between 0% and 10%*
- *Asset Sustainability Ratio - greater than 90% but less than 110%*
- *Net Financial Liabilities Ratio - greater than 0% but no more than 100%*

Overall, the financial ratios indicate an improvement in Council's net financial liabilities position and asset renewal funding performance. However, the decline in the adjusted operating result highlights the importance of maintaining a sustainable operating position to support Council's ongoing service delivery and long-term financial sustainability.

In-camera session with Auditors

Council's external auditor Samantha Creten of DeanNewbery will be available at the meeting to address any questions Committee Members may have regarding the audit and financial statements. Additionally, there will be an in-camera session to facilitate discussions without presence of Council administration.

Conclusion

The draft 2025/2026 Audited Annual Financial Statements and the associated independent audit reports indicate that Council's financial statements present fairly, in all material respects, its financial position as at 30 June 2026, financial performance and cash flows for the year ended on that date. The auditor has also concluded that Council has complied, in all material respects, with the requirements relating to internal controls under Section 125 of the *Local Government Act 1999*.

While Council's financial indicators demonstrate an improvement in its net financial liabilities position and asset renewal funding performance, the decline in the operating surplus highlights the importance of maintaining a sustainable operating position. The matters identified by the auditor, including overdue rates, quarry rehabilitation obligations, and updates to the Infrastructure and Asset Management Plan and Long-Term Financial Plan, will require ongoing management attention.

Accordingly, the Committee is requested to review the draft audited financial statements and associated audit reports, consider the matters raised by the auditor and make appropriate recommendations to Council.

References

Legislation

Local Government Act 1999
Local Government (Financial Management) Regulations 2026

Council Policies/Plans

Audit and Risk Committee Terms of Reference
Audit and Risk Committee Annul Work Programme 2026/2027

30 October 2026

Samantha Creten
Director
Dean Newbery
PO Box 755
NORTH ADELAIDE SA 5006

Dear Samantha,

Management Representations: External Audit, Financial Year Ended 30 June 2026

This Management Representation letter is provided in connection with your audit examination of the General Purpose Financial Report **(2026 Financial Report)** of **Adelaide Plains Council** (**'the Council')** for the financial year ended 30 June 2026.

We hereby confirm, at your formal request, that to the best of our knowledge and belief, the following representations relating to the 2026 Financial Report are correct.

In making these representations, we understand that they are provided to you in connection with your external audit of the Council for the year ended 30 June 2026 as prescribed by the *Local Government Act 1999*, for the express purpose of your expressing an opinion as to whether the 2026 Financial Report is, in all material respects, presented fairly in accordance with all applicable standards and requirements, including statutory. In making these representations, we have read and understood the standard unqualified Audit Opinion that would be normally expressed to the Council by you as is required under Section 129(3) of the *Local Government Act 1999* for the financial year ended 30 June 2026. We therefore understand, without exception, the potential ramifications of making any representations to you that are not correct, to the best of our knowledge and belief as of the date of this letter.

We understand and acknowledge that it is the Council management's responsibility for the fair presentation of the 2026 Financial Report and that management, as appropriate, have approved the Financial Report. Accordingly, management of the Council are of the opinion that the 2026 Financial Report is free of material misstatements, including omissions.

1. Compliance with all Applicable Standards, including Statutory

The Financial Report of the Council has been prepared so as to present a true and fair view of the state of affairs of the Council as at 30 June 2026 and of the results of operations of the Council for the financial year ended on that date, including for all post balance date matters, as applicable.

The accounting and financial management policies, practices and records of the Council were at all times maintained in accordance with the requirements of the *Local Government Act 1999*, *Local Government (Financial Management) Regulations 2011* and that the Financial Report was prepared in accordance with the *Local Government Act 1999*, *Local Government (Financial Management) Regulations 2011*, Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board together with all other mandatory professional reporting requirements in Australia.

ASSETS

Cash and Cash Equivalents

1) Cash on hand at balance date was represented by cash floats reconciled and on hand as at 30 June 2026.
2) Cash at bank at balance date represented the reconciled operating accounts of the Council.
3) Short term deposits represented amounts held with the Local Government Finance Authority (LGFA) by the Council.

Rates and Other Receivables

1) Current rate receivables at balance date represented all outstanding amounts owed by ratepayers.
2) Current other receivables at balance date represented all outstanding amounts owed by debtors other than ratepayers.

Inventories.

1) All inventories were the property of the Council and have either been paid for or the liability has been brought to account.
2) All inventories have been physically counted and valued in accordance with the applicable Australian Accounting Standard.

Other Current Assets

1) Prepayments at balance date represented payments for goods and services to be received in the 30 June 2026 financial year.
2) There are no non-current assets held for sale.

Investments Accounted using the Equity Method

1) Council has complied with all applicable Australian Accounting Standards with regard to Council's equity in subsidiaries, regional subsidiaries and other interests, as applicable.

Infrastructure, Property, Plant & Equipment and Depreciation

1) Infrastructure, property, plant and equipment at the 2026 balance date was represented by the following fair values, cost, accumulated depreciation and carrying amounts for each class of asset, in accordance with all prescribed requirements and standards, as follows:

Asset Class	FV Level	Fair Value	Cost	Accu. Dep	Carrying Value
Land - Community	3	21,975,267	-	-	21,975,267
Land - Other	2	14,771,458	-	-	14,771,458
Landscaping	3	1,149,041	-	(165,191)	983,850
Buildings - Other	2	3,178,090	-	(1,971,465)	1,206,625
Open Space	2	100,830	-	(56,968)	43,861
Buildings - Community	3	18,561,511	-	(10,711,927)	7,849,585
Open Space	3	10,842,691	251,823	(4,510,353)	6,584,161
- Roads	3	39,767,225	2,157,747	(14,164,013)	27,760,959

- Road Pavement	3	95,064,018	-	(17,693,749)	77,370,268
- Footpath	3	10,557,505	-	(1,425,575)	9,131,930
- Kerb and Spoon Drain	3	15,480,427	-	(2,199,986)	13,280,440
- Pram Ramps	3	661,849	15,157	(73,708)	603,298
- Car Parks	3	62,466	-	(15,616)	46,849
- Street Lighting	3	56,658	629,561	(14,162)	672,057
- Guard Rail, Signage & Traffic Control	3	132,611	46,282	(7,623)	171,270
Bridges	3	5,385,940	-	(3,625,205)	1,760,735
Stormwater Drainage	3	24,515,852	-	(5,650,121)	18,865,731
CWMS	3	8,940,238	-	(2,085,039)	6,855,199
Plant, Machinery & Equipment		-	7,019,282	(2,704,099)	4,315,183
Furniture & Equipment		-	741,282	(615,927)	125,355
TOTAL IPP&E		**271,203,677**	**10,861,134**	**(67,690,727)**	**214,374,081**

2) The additions during the 2026 financial year to Infrastructure, property, plant and equipment general ledger control accounts and asset registers represents the cost of additions and or improvements to existing facilities or replacements thereof. All units of property which have been replaced, sold, dismantled or otherwise disposed of, or which are permanently unusable, have been removed from general ledger and applicable asset register. Adequate provision, determined in a manner consistent with that of the preceding financial year, has been made to write-off depreciable assets over their useful economic working lives.
   No circumstances have arisen which render adherence to the existing basis of depreciation misleading or inappropriate and that depreciation expense for the financial year ended 30 June 2026 is reliable.
3) All additions to depreciable assets represent actual additions or improvements of a capital nature, based on capitalisation thresholds consistently applied for the 2026 financial year and unchanged from the 2025 financial year.
4) Where the recorded carrying amount of any depreciable assets exceeds its recoverable amount as at 30 June 2026, that asset's recorded carrying amount has been written down to its recoverable amount.
5) Contractual commitments for capital expenditure included in the Financial Report payable not later than one year are as described in the notes accompanying the Financial Report.
6) There are no deficiencies or encumbrances attaching to the title of the assets of the Council at 30 June 2026 other than those reflected in the financial report and those are not greater than the value of the asset.
7) No Operating or Finance Lease commitments exist that have not been disclosed in the Financial Report.
8) Desktop revaluations of infrastructure assets undertaken during the 2026 financial year through the annual indexation of unit rates were as follows based on the principle of written down replacement value:

Assets Class	Revalued by	Valuation Date
Open Space Landscaping	A desktop revaluation was undertaken by Tonkin Consulting using indexation/Building Price Index provided by Mitch Ekonomopoulos of AVR Consulting,	1 July 2025
Road Infrastructure	A desktop revaluation was undertaken by Tonkin Consulting using Rawlinsons Australian Construction Handbook and Council's contract rates for various construction agreements	

Bridges	A desktop revaluation was undertaken Tonkin Consulting using indexation/ Building Price Index provided by Mitch Ekonomopoulos of AVR Consulting,	1 July 2025
Stormwater Drainage	Unit rates were developed by Tonkin Consulting using Rawlinsons cost data and manufacturer pricing to establish a range of replacement rates.	1 July 2025
CWMS	Unit rates were developed by Tonkin Consulting using Rawlinsons cost data and manufacturer pricing to establish a range of replacement rates.	1 July 2025
Plant, Machinery & Equipment Furniture & Equipment	Plant, Machinery and Equipment, and Furniture and Fittings, are not considered material asset classes for revaluation under Council's Fixed Assets Accounting Policy and are therefore held at cost. As at 30 June 2025, the combined value of these asset classes represented only 2.78% of the total fair value of Council's fixed assets.	

Accordingly, total replacement value, total economic working life, residual economic working life were reliably established for each asset and the financial records of Council were restated in accordance with all applicable Australian Accounting Standards, and the Financial Report reflects all such accounting entries.

9) Valuations of all infrastructure assets have been formally endorsed by the Council and reflected in the 2026 Financial Report.
10) Desktop revaluations of all land and building assets owned by Council were undertaken during the 2026 financial year through the annual indexation of unit rates, as follows:

Assets Class	Revalued by	Valuation Date
Buildings Land	A desktop revaluation was undertaken by Tonkin Consulting using indexation/Building Price Index provided by Mitch Ekonomopoulos of AVR Consulting,	1 July 2025

11) Valuations of all land and building assets have been formally endorsed by the Council and reflected in the 2026 Financial Report.
12) The resultant increment to the asset revaluation reserve during the year represents the difference between the prior written down value of the assets being valued and the valuations as at 1 July 2024.
13) Depreciation expense reported in the 2026 Statement of Comprehensive Income is reliable, being based on reliable 'whole of life' asset management information for each class of depreciable non-current asset.

LIABILITIES – Current and Non-Current

1) All liabilities which have arisen or which will arise out of the activities of the Council to the end of the 2026 financial year have been included in the 2026 Financial Report.
2) All outstanding trade payables at balance date have been taken up as at the 2026 balance date.
3) All applicable accrued wages and salaries and accrued employee entitlements at the 2026 balance date have been taken up.
4) All accrued interest at the 2026 balance date have been taken up.
5) All revenue received in advance as at the 2026 balance date have been taken up.
6) Provisions for employee benefits, inclusive of on-costs, all discounted as at the 2026 balance date representing long service leave benefits calculated for all valid employees (as at balance date) have been taken up.

7) Accrued employee benefits represent annual leave accrued for all valid employees as at the 2026 balance date.
8) Borrowings as at the 2026 balance date represented amounts owed to the Local Government Finance Authority. Loans with the LGFA have varying maturity dates and interest rates with details fully provided in the notes to the 2026 Financial Report.
9) There were no contingent liabilities including for:
   a) guarantees;
   b) bills and accounts receivable discounted, assigned or sold and which are subject to recourse;
   c) endorsements;
   d) pending law suits, unsatisfied judgements or claims;
   e) repurchase agreements; or
   f) contractual disputes between the Council and any contractor / service provider that may result in an increased liability as at 30 June 2026; which are not fully disclosed in the notes to the 2026 Financial Report.

EQUITY

1) There have been no adjustments to the Accumulated Surplus other than those allowable under the Australian Accounting Standards.
2) There have been no adjustments to the Asset Revaluation Reserve other those allowable under the Australian Accounting standards and the balance of the reserve has been reconciled to each class of asset.
3) All reserve funds required by legislation to be maintained have been at all times maintained in the accounting records of the Council.
4) All transfers to and from reserve funds (including the Accumulated Surplus) have been prior authorised by Council.
5) Other than for the Asset Revaluation Reserve, all other reserve accounts are those applied for 2026 Council budget purposes and have the same balances as at 30 June 2026.
6) An ageing of the balances held in Council's Committed Expenditures is provided under Note 15 of the financial statements.

2026 STATEMENT OF COMPREHESIVE INCOME

1) All depreciable physical resources received free of charge have been included in the appropriate asset register and depreciated from the date when Council assumed control of the asset.
2) Depreciation expense for 2026 is in accordance with Council's asset registers and has been determined on the same basis as for 2025.
3) Salaries and Wages expense disclosed in the 2026 Statement of Comprehensive Income reconciles to the last budgeted salaries and wage amount approved by Council for 2026 annual budget funding purposes.
4) Capital grants have been correctly separated from operating grants, in accordance with the requirements of the Model Financial Statements.

KEY FINANCIAL INDICATORS

As summarised below, Council's reported financial indicators demonstrate a sound financial position, with improvements in net financial liabilities and asset renewal funding ratios which are within the range recommended by the Local Government Association of South Australia.

Financial Ratio	25/26	24/25
Operating Surplus/(Deficit) - $'000	0.882	1,723

Operating Surplus Ratio - %	4.1	8.5
Adjusted Operating Surplus/(Deficit) - $'000	(114)	417
Adjusted Operating Surplus Ratio - %	(0.6)	2.2
Net Financial Liabilities Ratio - %	43	56
Adjusted Net Financial Liabilities Ratio - %	55	66
Asset Renewal Funding Ratio - %	112	102

- Operating Surplus Ratio

The Operating Surplus Ratio improved from +8.5% in 2024/25 to +4.1% in 2025/26, indicating that Council continues to generate an operating surplus, although at a lower level. However, the Adjusted Operating Surplus Ratio declined from +2.2% to a -0.6%, highlighting the importance of monitoring underlying operating performance and maintaining sustainable service delivery.

- Net Financial Liabilities Ratio

The Net Financial Liabilities Ratio improved from 56% to 43%, while the Adjusted Net Financial Liabilities Ratio decreased from 66% to 55%. These improvements were primarily driven by a reduction in borrowings relative to operating income, indicating a strengthening of Council's financial position.

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.
- $0.916m received from the South Australian Government for the sealing of the Thompson Beach Esplanade.
- $0.050m received from the South Australian Government for the Wayfinding Signs

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.

- Asset Renewal Funding Ratio

The Asset Renewal Funding Ratio increased from 102% to 112%, indicating that asset renewal expenditure exceeded the estimated renewal requirement during the period.

CHIEF EXECUTIVE OFFICER'S REPORT

There are no exceptions to the Chief Executive Officer's Report on Internal Control Practices and Procedures presented at the Ordinary Meeting of the Audit and Risk Committee held on 4 November 2026.

OTHER REQUIRED REPRESENTATIONS

1) No events have occurred (or are known to occur) subsequent to the 30 June 2026 that would require any consideration for adjustment to or additional disclosure in the 2026 Financial Report.
2) The Council does not have any plans or intentions that may materially affect the carrying value or classification of all assets and liabilities as at 30 June 2026.
3) The Council has complied with all aspects of contractual arrangements and agreements that would have a material effect on the 2026 Financial Report in the event of non-compliance.

4) There were no material commitments for construction or acquisition of property, plant and equipment or to acquire other non-current assets, other than those disclosed in the 2026 Financial Report.

5) There are no violations or possible violations of laws, compulsory standards or regulations whose effects should be considered for disclosure in the 2026 Financial Report or as a basis for recording as an expense or otherwise.
6) The methods, the data, and the significant assumptions used in making accounting estimates, and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.
7) The Council has full title to all assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
8) All details concerning related party transactions and related amounts receivable or payable (including sales, purchases, loans and guarantees) have been correctly recorded in the accounting records. All related parties have been identified and disclosed to you during your audit.
9) The Council reviews, at least on an annual basis, the adequacy of insurance cover on all assets and insurable risks. This review has been consistently performed, and where it is considered appropriate, assets and insurable risks of the Council are at all times adequately covered by appropriate insurance.
10) The minutes of all meetings of Council and its Committees were made available to you and are complete and authentic records of all such meetings held during the 2026 financial year and to the date of this letter. All other statutory records were properly kept at all times during the year and have been made available to you for audit purposes.
11) All audit correspondence has been formally and promptly responded.
12) All audit correspondence has been referred to Council and Council's Audit and Risk Committee.
13) Salaries and wages records together with records for the Goods and Service Tax were at all times fully maintained in accordance with the requirements of the Australian Taxation Office, as applicable.
14) All documentation relating to the capture of Related Party Disclosures and Transactions (AASB 124 Related Party Disclosures) including all authorised forms provided by the deemed Key Management Personnel, evidence of review of total related party transactions processed during the financial year by the Council e.g. Transaction reports of payments made by Council to related parties and any working papers of calculation methodologies for the disclosures in the 30 June 2026 financial statements have been made available to the auditors.
15) All deemed material transactions relating to Related Party Disclosures and Transactions (AASB 124 Related Party Disclosures) have been included and adequately disclosed in the 30 June 2026 financial statements.
16) Council has formally in place and has at all times maintained an appropriate standard of accounting, internal control structure and framework, segregation of duties and risk management structure and framework across the entire organisation, including appropriate controls and mechanisms specifically designed to prevent and detect fraud and error. Further, we advise that there have not been any instances of fraud or error during the financial year ended 30 June 2026 or to the date of this letter. In addition, there are no matters that should be brought to your attention for the purposes of your making an assessment as to Sections 129(5) and 129(6) of the *Local Government Act 1999*.
17) The 2026 Financial Report has been adjusted for all agreed audit adjustments for the year ended 30 June 2026.
18) Council not made changes in accounting practices and accounting policies for the financial year ended 30 June 2026, when compared to the 2025 Financial Report.
19) Council's Audit and Risk Committee has addressed all of its prescribed responsibilities and no member of the Committee has undertaken other professional services for the Council.
20) In our opinion, there are no grounds to believe that the Council will not be able to pay its debts as and when they fall due, that assets will be at all time maintained to the service standards currently determined by Council and accordingly, the Council is long term financially sustainable.

INTERNAL CONTROLS

We acknowledge Council's statutory responsibilities under Section 125 of the *Local Government Act 1999* to implement and maintain an adequate system of internal controls. To the best of my knowledge, the internal controls adopted by Council were in operation and functioned effectively throughout the period 1 July 2025 to 30 June 2026. We have disclosed to you any known deficiencies, instances of non-compliance, or changes that may impact your assessment.

Yours sincerely

James Miller
Chief Executive Officer

ADELAIDE PLAINS COUNCIL

General Purpose Financial Reports
for the year ended 30 June 2026

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ADELAIDE PLAINS COUNCIL

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2026

	Notes	2026 $	2025 $
INCOME			
Rates	4	**16,342,886**	15,056,782
Statutory charges	4	**587,429**	701,994
User charges	4	**257,015**	251,152
Grants, subsidies and contributions - Operating	4	**4,001,099**	4,035,327
Investment income	4	**17,430**	9,068
Reimbursements	4	**113,255**	87,533
Other income	4	**291,201**	240,257
Total Income		**21,610,315**	20,382,113
EXPENSES			
Employee costs	5	**7,748,456**	6,996,418
Materials, contracts & other expenses	5	**7,571,854**	6,447,518
Depreciation, amortisation & impairment	5	**4,762,218**	4,550,257
Finance costs	5	**496,445**	554,779
Net loss - equity accounted Council businesses	17	**149,119**	109,224
Total Expenses		**20,728,092**	18,658,196
OPERATING SURPLUS / (DEFICIT)		**882,223**	1,723,917
Asset disposal & fair value adjustments	6	**(58,720)**	(300,855)
Amounts received specifically for new or upgraded assets	4	**551,215**	1,507,611
Physical resources received free of charge	4	**194,500**	5,173,146
NET SURPLUS / (DEFICIT) transferred to Equity Statement		**1,569,218**	8,103,819
Other Comprehensive Income			
Changes in revaluation surplus - infrastructure, property, plant & equipment	11	**10,726,926**	27,486,916
Total Other Comprehensive Income		**10,726,926**	27,486,916
TOTAL COMPREHENSIVE INCOME		**12,296,144**	35,590,735

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

ADELAIDE PLAINS COUNCIL

STATEMENT OF FINANCIAL POSITION
as at 30 June 2025

	Notes	2026 $	2025 $
ASSETS			
Current Assets			
Cash & cash equivalents	7	**300,585**	287,450
Trade & other receivables	7	**2,716,335**	1,742,929
Inventories	7	**465,590**	472,204
Total Current Assets		**3,482,510**	2,502,583
Non-current Assets			
Equity accounted investments in Council businesses	8	**10,455,780**	10,646,527
Infrastructure, property, plant & equipment	9	**214,374,081**	204,571,204
Other non-current assets	8	**2,782,215**	2,207,961
Total Non-current Assets		**227,612,076**	217,425,692
Total Assets		**231,094,586**	219,928,275
LIABILITIES			
Current Liabilities			
Trade & other payables	10	**3,379,469**	1,443,982
Borrowings	10	**27,715**	26,522
Provisions	10	**1,835,622**	1,691,769
Total Current Liabilities		**5,242,806**	3,162,273
Non-current Liabilities			
Borrowings	10	**6,829,596**	10,054,242
Provisions	10	**302,783**	246,875
Total Non-current Liabilities		**7,132,379**	10,301,117
Total Liabilities		**12,375,185**	13,463,390
NET ASSETS		**218,719,401**	206,464,885
EQUITY			
Accumulated Surplus		**64,158,627**	62,589,409
Asset Revaluation Reserves	11	**154,480,438**	143,795,140
Other Reserves	11	**80,336**	80,336
Total Council Equity		**218,719,401**	206,464,885
TOTAL EQUITY		**218,719,401**	206,464,885

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

ADELAIDE PLAINS COUNCIL

STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2026

2026	Notes	Accumulated Surplus $	Asset Revaluation Reserve $	Other Reserves $	TOTAL EQUITY $
Balance at end of previous reporting period		**62,589,409**	**143,795,140**	**80,336**	**206,464,885**
Net Surplus / (Deficit) for Year		**1,569,218**	**-**	**-**	**1,569,218**
Other Comprehensive Income					
Gain on revaluation of infrastructure, property, plant & equipment		**-**	**10,726,926**	**-**	**10,726,926**
Share of other comprehensive income - equity accounted Council business	11	**-**	**(41,628)**	**-**	**(41,628)**
Balance at end of period		**64,158,627**	**154,480,438**	**80,336**	**218,719,401**

2025					
Balance at end of previous reporting period		54,485,589	116,526,043	80,336	171,091,968
Net Surplus / (Deficit) for Year		8,103,819	-	-	8,103,819
Other Comprehensive Income					
Gain on revaluation of infrastructure, property, plant & equipment		-	27,486,916	-	27,486,916
Share of other comprehensive income - equity accounted Council businesses		-	(217,819)	-	(217,819)
Balance at end of period		62,589,409	143,795,140	80,336	206,464,885

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

ADELAIDE PLAINS COUNCIL

STATEMENT OF CASH FLOWS

for the year ended 30 June 2026

	Notes	2026 $	2025 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Rates - general & other		**16,033,624**	15,118,265
Fees & other charges		**596,398**	685,891
User charges		**214,580**	262,148
Investment receipts		**13,888**	8,856
Grants utilised for operating purposes		**5,174,959**	4,035,327
Reimbursements		**113,255**	87,533
Other revenues		**291,201**	240,257
Payments			
Employee costs		**(7,624,380)**	(6,825,799)
Materials, contracts & other expenses		**(7,355,057)**	(7,941,139)
Finance payments		**(496,445)**	(683,074)
Net Cash provided by (or used in) Operating Activities	13	**6,962,023**	4,988,265
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts			
Amounts specifically for new or upgraded assets		**551,215**	1,525,784
Sale of replaced assets		**157,564**	277,842
Payments			
Expenditure on renewal/replacement of assets		**(3,546,456)**	(3,979,640)
Expenditure on new/upgraded assets		**(887,750)**	(2,380,348)
Net Cash provided by (or used in) Investing Activities		**(3,725,427)**	(4,556,362)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts			
Proceeds from borrowings		**12,890,000**	18,839,017
Payments			
Repayments of borrowings		**(16,113,461)**	(19,356,189)
Net Cash provided by (or used in) Financing Activities		**(3,223,461)**	(517,172)
Net Increase (Decrease) in cash held		**13,135**	(85,269)
Cash & cash equivalents at beginning of period	13	**287,450**	372,719
Cash & cash equivalents at end of period	11	**300,585**	287,450

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

ADELAIDE PLAINS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2026

Note 1 - MATERIAL ACCOUNTING POLICIES

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

1 Basis of Preparation

1.1 Compliance with Australian Accounting Standards

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

The financial report was authorised for issue by certificate under regulation 15 of the *Local Government (Financial Management) Regulations 2026* dated 18 November 2026.

1.2 Critical Accounting Estimates

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

1.3 Rounding

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

1.4 Estimates and assumptions

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

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

2 The Local Government Reporting Entity

The Adelaide Plains Council is incorporated under the South Australian *Local Government Act 1999* and has its principal place of business at 2A Wasleys Road, Mallala. Other entities in which Council has an interest but does not control are reported in Note 17.

3 Income recognition

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

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

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

In recent years the payment of untied grants (General Purpose Grant (GPG), Roads Formula Funding (ILRG) and Supplementary Local Road Funding (Formula Funding)) has varied from the annual allocation as shown

ADELAIDE PLAINS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2026

Note 1 (cont) - MATERIAL ACCOUNTING POLICIES

Financial Year	Cash Payment Received	Annual Allocation		Difference
2023/2024	245,318	1,907,707	-	1,662,389
2024/2025	3,410,711	2,103,755	+	1,306,956
2025/2026	3,305,306	2,309,449	+	995,857

Because these grants are untied, the Australian Accounting Standards require that payments be recognised upon receipt. Accordingly, the operating results of these periods have been distorted compared to those that would have been reported had the grants been paid in the year to which they were allocated. The amount of the distortion for 2025/2026 is $995,857 (2024/2025: $1,306,956)

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

4 Cash, Cash Equivalents and other Financial Instruments

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

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

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

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

5 Inventories

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

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

6 Infrastructure, Property, Plant & Equipment

6.1 Initial Recognition

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

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

6.2 Materiality

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds established by Council for each type of asset. In determining (and in annually reviewing) such thresholds, regard is had to the nature of the asset and its estimated service life. Examples of capitalisation thresholds applied during the year are as follows. No capitalisation threshold is applied to the acquisition of land or interests in land.

- Office Furniture, Equipment, IT Hardware & Computer	$ 1,000
- Plant, Machinery, Equipment & Pram ramps	$ 1,000
- Buildings - new construction/extensions	$10,000
- Park & Playground Furniture & Equipment	$ 2,000
- Road construction & reconstruction	$10,000
- Paving & footpaths, Kerb & Gutter	$ 2,000
- Drains, Culverts, Reticulation extensions & Street lighting	$ 5,000

ADELAIDE PLAINS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2026

Note 1 (cont) - MATERIAL ACCOUNTING POLICIES

6.3 Subsequent Recognition

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

6.4 Depreciation of Non-Current Assets

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

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

Plant, Furniture & Equipment	
> Office Equipment & Furniture	4 to 25 years
> Vehicles and Road-making Equipment	6 to 40 years
> Other Plant & Equipment	5 to 40 years
Building & Other Structures	
> Buildings – masonry	50 to 150 years
> Buildings – other construction	20 to 40 years
> Park Structures – masonry	50 to 100 years
> Park Structures – other construction	20 to 40 years
> Playground equipment	5 to 15 years
> Benches, seats, etc	10 to 20 years
Infrastructure	
> Sealed Roads – Surface	15 to 30 years
> Sealed Roads – Structure	20 to 130 years
> Unsealed Roads	10 to 30 years
> Bridges – Concrete	80 to 150 years
> Paving & Footpaths, Kerb & Gutter, Drains	50 to 100 years
> Culverts	50 to 80 years
> Flood Control Structures	80 to 100 years
> Reticulation Pipes – PVC	70 to 80 years
> Reticulation Pipes – other	25 to 75 years
> Pumps & Telemetry	15 to 25 years

6.5 Impairment

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

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

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

7 Payables

7.1 Goods & Services

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

ADELAIDE PLAINS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2026

Note 1 (cont) - MATERIAL ACCOUNTING POLICIES

7.2 Payments Received in Advance & Deposits

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

8 Borrowings

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

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

9 Employee Benefits

9.1 Salaries, Wages & Compensated Absences

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

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

Weighted avg. discount rate 4.51% (2025, 3.63%)

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

9.2 Superannuation

The Council makes employer superannuation contributions in respect of its employees to the Hostplus Superannuation Scheme. The Scheme has two types of membership, each of which is funded differently. No changes in accounting policy have occurred during either the current or previous reporting periods. Details of the accounting policies applied and Council's involvement with the schemes are reported in Note 16.

10 Joint Ventures and Associated Entities

Council participates in cooperative arrangements with other Councils for the provision of services. Council's equity in Gawler River Flood Plan Management Authority is accounted for in accordance with AASB 128 and set out in detail in Note 17.

11 Leases

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

11.1 Council as a lessee

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

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

ADELAIDE PLAINS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2026

Note 1 (cont) - MATERIAL ACCOUNTING POLICIES

12 GST Implications

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

13 New accounting standards and UIG interpretations

There were no relevant new accounting standards mandatorily effective for the year ended 30 June 2026.

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

The following list identifies all the new and amended Australian Accounting Standards, and Interpretation, that were issued but not yet effective at the time of compiling these statements that could be applicable to Councils.

Effective for NFP annual reporting periods beginning on or after 1 January 2026

• AASB 2025-2 Amendments to Australian Accounting Standards - Classification and Measurement of Financial Instruments

• AASB 2024-3 Amendments to Australian Accounting Standards – Annual Improvements Volume 11 [AASB 1, AASB 7, AASB 9, AASB 10 and AASB 107]

Effective for NFP annual reporting periods beginning on or after 1 July 2026 for public sector

• AASB 17 Insurance Contracts (amended by AASB 2020-5, AASB 2024-1, AASB 2024-8 and AASB 2024-9 Insurance Contracts in the Public Sector)

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

• AASB 2014-10 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (amended by AASB 2015-10, AASB 2017-5, AASB 2024-7 and AASB 2025-4)

• AASB 18 Presentation and Disclosure in Financial Statements

14 Comparative Figures

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

15 Disclaimer

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

ADELAIDE PLAINS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2026

Note 2 - FINANCIAL INDICATORS

	2026	2025	2024

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

Operating Surplus Ratio			
Operating Surplus	4.1%	8.5%	(26.8%)
Total Operating Revenue			

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

Net Financial Liabilities Ratio			
Net Financial Liabilities	43%	56%	81%
Total Operating Revenue			

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

Adjustments to Ratios

In recent years the Federal Government has made advance payments prior to 30th June from future year allocations of financial assistance grants, as explained in Note 1. These Adjusted Ratios correct for the resulting distortion in key ratios for each year and provide a more accurate basis for comparison.

Adjusted Operating Surplus Ratio	*(0.6%)*	*2.2%*	*(17.0%)*
Adjusted Net Financial Liabilities Ratio	*55%*	*66%*	*74%*

Asset Renewal Funding Ratio			
Asset Renewals	112%	102%	110%
Infrastructure & Asset Management Plan required expenditure			

Asset renewals expenditure is defined as capital expenditure on the renewal and replacement of existing assets relative to the optimal level planned, and excludes new capital expenditure on the acquisition of additional assets.

ADELAIDE PLAINS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2026

Note 3 - UNIFORM PRESENTATION OF FINANCES

The following is a high-level summary of both operating and capital investment activities of the Council prepared on a modified Uniform Presentation Framework basis, adjusted for timing differences associated with prepaid Federal Financial Assistance Grants required to be recognised as revenue on receipt in accordance with Australian Accounting Standards.

.

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

The arrangements ensure that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances

	2026	2025
	$	$
Income		
Rates	**16,342,886**	15,056,782
Statutory charges	**587,429**	701,994
User charges	**257,015**	251,152
Grants, subsidies and contributions - Operating	**4,001,099**	4,035,327
Investment income	**17,430**	9,068
Reimbursements	**113,255**	87,533
Other income	**291,201**	240,257
	21,610,315	20,382,113
Expenses		
Employee costs	**7,748,456**	6,996,418
Materials, contracts & other expenses	**7,571,854**	6,447,518
Depreciation, amortisation & impairment	**4,762,218**	4,550,257
Finance costs	**496,445**	554,779
Net loss - equity accounted Council businesses	**149,119**	109,224
	20,728,092	18,658,196
Operating Surplus / (Deficit)	**882,223**	1,723,918
Net Timing adjustment for General Purpose Grant Funding	**(995,857)**	(1,306,956)
Adjusted Operating Surplus (Deficit)	**(113,634)**	416,962
Net Outlays on Existing Assets		
Capital Expenditure on renewal and replacement of Existing Assets	**(3,546,456)**	(3,979,640)
Add back Depreciation, Amortisation and Impairment	**4,762,218**	4,550,257
Proceeds from Sale of Replaced Assets	**157,564**	277,842
	1,373,326	848,459
Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets	**(887,750)**	(2,380,348)
Amounts received specifically for New and Upgraded Assets	**551,215**	1,525,784
	(336,535)	(854,564)
Adjusted annual net impact to financing activities (surplus)	**923,157**	410,857

ADELAIDE PLAINS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2026

Note 4 - INCOME

	Notes	2026 $	2025 $
RATES			
General Rates		**14,459,651**	13,326,918
Less: Discretionary rebates, remissions & write offs		**(140,066)**	(113,093)
		14,319,585	13,213,825
Other Rates (including service charges)			
Landscape levy		**370,850**	344,224
Waste collection		**1,079,954**	991,690
Community wastewater management systems		**355,647**	301,962
		1,806,451	1,637,876
Other Charges			
Penalties for late payment		**211,281**	188,124
Legal & other costs recovered		**6,745**	18,659
		218,026	206,783
Less: Discretionary rebates, remissions & write offs		**(1,176)**	(1,702)
		16,342,886	15,056,782
STATUTORY CHARGES			
Planning, Development and Infrastructure Act fees		**292,620**	336,907
Health & Septic Tank Inspection fees		**50,329**	109,483
Animal registration fees & fines		**225,028**	246,373
Parking fines/expiation fees		**-**	469
Other licences, fees, & fines		**19,452**	8,762
		587,429	701,994
USER CHARGES			
Cemetery/crematoria fees		**23,714**	31,789
Museum Admission Fees		**872**	988
Hall & equipment hire		**25,222**	26,378
Rubbish/Recycling Collection Fees		**117,894**	108,235
Sales - general		**1,930**	1,909
Sundry		**87,383**	81,853
		257,015	251,152
INVESTMENT INCOME			
Interest on investments			
- Local Government Finance Authority		**7,677**	6,573
- Banks & other		**9,753**	2,495
		17,430	9,068

ADELAIDE PLAINS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2026

NOTE 4 - INCOME (continued)

	Notes	2026 $	2025 $
REIMBURSEMENTS			
By joint undertakings		**30,990**	69,237
Other		**82,265**	18,296
		113,255	87,533
OTHER INCOME			
Rebates received		**172,172**	160,986
Sundry		**119,029**	79,271
		291,201	240,257
GRANTS, SUBSIDIES AND CONTRIBUTIONS			
Amounts received specifically for new or upgraded assets		**551,215**	1,507,611
Other grants, subsidies and contributions			
Untied - Financial Assistance Grant		**3,305,306**	3,410,711
Roads to Recovery		**421,384**	342,375
Coastal Protection		**123,965**	113,570
Two Wells CWMS - Concept Design		**46,688**	60,349
Comprehensive Heritage Study		**-**	49,060
Library Operating Grant		**29,059**	29,544
Valuation of Infrastructure Assets for Insurance Purpose		**-**	8,400
Automated External Defibrillator Grants		**-**	10,000
Sundry		**74,697**	11,318
		4,001,099	4,035,327
		4,552,314	5,542,938
Sources of grants			
Commonwealth government		**639,274**	515,104
State government		**3,860,486**	4,383,702
Other		**52,554**	644,132
		4,552,314	5,542,938
PHYSICAL RESOURCES RECEIVED FREE OF CHARGE			
Land, Landscaping & Open Space		**194,500**	-
Roads, Bridges & Footpaths		**-**	4,031,779
Stormwater Drainage		**-**	1,141,367
TOTAL PHYSICAL RESOURCES RECEIVED		**194,500**	5,173,146

ADELAIDE PLAINS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2026

Note 5 - EXPENSES

	Notes	2026 $	2025 $
EMPLOYEE COSTS			
Salaries and Wages		**5,962,068**	5,657,332
Employee leave expense		**1,074,143**	875,132
Superannuation - defined contribution plan contributions	16	**780,709**	691,031
Superannuation - defined benefit plan contributions	16	**34,042**	37,416
Workers' Compensation Insurance		**298,171**	307,338
Less: Capitalised and distributed costs		**(400,677)**	(571,831)
Total Operating Employee Costs		**7,748,456**	6,996,418
Total Number of Employees		***65***	***63***
(Full time equivalent at end of reporting period)			
MATERIALS, CONTRACTS & OTHER EXPENSES			
Prescribed Expenses			
Auditor's Remuneration - Auditing the financial reports		**18,800**	15,000
Elected members' expenses		**191,196**	184,985
Operating Lease Rentals - cancellable leases		**60,068**	63,009
Subtotal - Prescribed Expenses		**270,064**	262,994
Other Materials, Contracts & Expenses			
Contractors		**1,440,480**	1,245,367
Energy		**592,559**	482,985
Repairs & Maintenance		**222,016**	163,380
Parts, accessories & consumables		**543,518**	537,727
Waste Collection & Disposal		**1,233,128**	1,192,380
Information Technology - Software & Licensing		**723,410**	573,626
Rubble		**101,642**	85,657
Contributions & Donations		**280,616**	9,211
Legal Expenses		**283,236**	259,019
Levies paid to government - NRM levy		**371,546**	344,247
- Other Levies		**3,643**	12,432
Professional services		**475,314**	417,734
Memberships & Subscriptions		**234,258**	225,633
Insurance		**423,248**	401,972
Grading		**371,063**	269,217
Sundry		**961,781**	901,098
Less: Capitalised and distributed costs		**(959,668)**	(937,162)
Subtotal - Other Materials, Contracts & Expenses		**7,301,790**	6,184,524
		7,571,854	6,447,518

ADELAIDE PLAINS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2026

Note 5 - EXPENSES (cont)

	Notes	2026 $	2025 $
DEPRECIATION, AMORTISATION & IMPAIRMENT			
Depreciation			
Landscaping		**43,191**	41,771
Buildings & Open Space		**911,358**	873,749
Road Infrastructure			
- Roads, Kerbing, Footpath, Bridges & Street Lights		**2,780,478**	2,644,138
Stormwater Drainage		**276,091**	251,859
CWMS		**203,036**	193,227
Plant, Machinery & Equipment		**523,302**	518,212
Furniture & Equipment		**24,762**	27,301
		4,762,218	4,550,257
FINANCE COSTS			
Interest on overdraft and short-term drawdown		**417,032**	477,563
Interest on Loans		**79,413**	77,216
		496,445	554,779

Note 6 - ASSET DISPOSAL & FAIR VALUE ADJUSTMENTS

	Notes	2026 $	2025 $
INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT			
Assets renewed or directly replaced			
Proceeds from disposal		**157,564**	277,842
Less: Carrying amount of assets sold	7	**216,284**	578,697
NET GAIN (LOSS) ON DISPOSAL OR REVALUATION OF ASSETS		**(58,720)**	(300,855)

ADELAIDE PLAINS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2026

Note 7 - CURRENT ASSETS

	Notes	2026 $	2025 $
CASH AND CASH EQUIVALENTS			
Cash on Hand and at Bank		**194,628**	153,481
Deposits at Call		**105,957**	133,969
		300,585	287,450
TRADE & OTHER RECEIVABLES			
Rates - General & Other		**1,601,681**	1,292,419
Accrued Revenues		**4,159**	33,754
Debtors - general		**541,167**	107,907
GST Recoupment		**430,109**	276,415
Prepayments		**139,219**	17,636
Sundry		**-**	14,798
		2,716,335	1,742,929
INVENTORIES			
Stores & Materials		**465,590**	472,204
		465,590	472,204

Note 8 - NON-CURRENT ASSETS

	Notes	2026 $	2025 $
EQUITY ACCOUNTED INVESTMENTS IN COUNCIL BUSINESSES			
Gawler River Floodplain Management Authority	17	**10,455,780**	10,646,527
		10,455,780	10,646,527
OTHER NON-CURRENT ASSETS			
Capital Works-in-Progress		**2,782,215**	2,207,961
		2,782,215	2,207,961

ADELAIDE PLAINS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2026

Note 9 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

		2025 $				2026 $			
	Fair Value Level	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT
Land - Community	3	19,887,119	-	-	19,887,119	**21,975,267**	**-**	**-**	**21,975,267**
Land - Other	2	13,367,835	-	-	13,367,835	**14,771,458**	**-**	**-**	**14,771,458**
Landscaping	3	1,120,631	-	(119,220)	1,001,411	**1,149,041**	**-**	**(165,191)**	**983,850**
Buildings & Open Space									
Buildings - Other	2	3,089,996	-	(1,860,247)	1,229,749	**3,178,090**	**-**	**(1,971,465)**	**1,206,625**
Open Space	2	97,909	-	(51,716)	46,193	**100,830**	**-**	**(56,968)**	**43,861**
Buildings - Community	3	17,920,139	12,454	(9,978,204)	7,954,389	**18,561,511**	**-**	**(10,711,927)**	**7,849,585**
Open Space	3	10,104,544	283,278	(3,933,041)	6,454,780	**10,842,691**	**251,823**	**(4,510,353)**	**6,584,161**
Road Infrastructure									
- Roads	3	39,517,373	2,629,018	(14,114,446)	28,031,945	**39,767,225**	**2,157,747**	**(14,164,013)**	**27,760,959**
- Road Pavement	3	87,589,945	-	(15,688,914)	71,901,030	**95,064,018**	**-**	**(17,693,749)**	**77,370,268**
- Footpath	3	10,543,231	-	(1,198,504)	9,344,727	**10,557,505**	**-**	**(1,425,575)**	**9,131,930**
- Kerb and Spoon Drain	3	15,507,541	-	(2,081,762)	13,425,778	**15,480,427**	**-**	**(2,199,986)**	**13,280,440**
- Pram Ramps	3	658,067	12,450	(65,440)	605,077	**661,849**	**15,157**	**(73,708)**	**603,298**
- Car Parks	3	59,736	-	(11,948)	47,787	**62,466**	**-**	**(15,616)**	**46,849**
- Street Lighting	3	54,182	-	(10,836)	43,346	**56,658**	**629,561**	**(14,162)**	**672,057**
- Guard Rail, Signage & Traffic Control	3	37,047	89,769	(1,851)	124,965	**132,611**	**46,282**	**(7,623)**	**171,270**
Bridges	3	5,270,000	-	(3,536,674)	1,733,326	**5,385,940**	**-**	**(3,625,205)**	**1,760,735**
Stormwater Drainage	3	23,444,441	-	(5,138,445)	18,305,996	**24,515,852**	**-**	**(5,650,121)**	**18,865,731**
CWMS	3	8,563,808	-	(1,811,692)	6,752,116	**8,940,238**	**-**	**(2,085,039)**	**6,855,199**
Plant, Machinery & Equipment		-	6,699,476	(2,524,260)	4,175,216	**-**	**7,019,282**	**(2,704,099)**	**4,315,183**
Furniture & Equipment		-	729,583	(591,165)	138,418	**-**	**741,282**	**(615,927)**	**125,355**
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT		256,833,544	10,456,028	(62,718,367)	204,571,204	**271,203,677**	**10,861,134**	**(67,690,727)**	**214,374,081**
Comparatives		***222,531,227***	***12,258,106***	***(62,045,598)***	***172,743,736***	***256,833,544***	***10,456,028***	***(62,718,367)***	***204,571,204***

This Note continues on the following pages.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2026

Note 9 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

	2025 $	CARRYING AMOUNT MOVEMENTS DURING YEAR $							2026
	CARRYING AMOUNT	Additions		Disposals	Depreciation	Transfers		Net Revaluation	CARRYING AMOUNT
		New/Upgrade	Renewals			In	Out		
Land - Community	19,887,119	-	-	-	-			2,088,148	21,975,267
Land - Other	13,367,835	-	-	-	-			1,403,623	14,771,458
Landscaping	1,001,411	-	-	-	(43,191)			25,630	983,850
Buildings & Open Space									
Buildings - Other	1,229,749	-	-	-	(59,983)			36,858	1,206,625
Open Space	46,193	-	-	-	(3,551)			1,219	43,861
Buildings - Community	7,954,389	-	-	-	(371,015)			266,211	7,849,585
Open Space	6,454,780	262,920	183,403	(33,968)	(476,809)			193,836	6,584,161
Road Infrastructure									
- Roads	28,031,945	98,047	2,059,700	(105,624)	(1,804,231)			(518,878)	27,760,959
- Road Pavement	71,901,030	-	-	-	(558,358)			6,027,596	77,370,268
- Footpath	9,344,727	-	-	-	(223,311)			10,514	9,131,930
- Kerb and Spoon Drain	13,425,778	-	-	-	(121,046)			(24,292)	13,280,440
- Pram Ramps	605,077	15,157	-	-	(8,245)			(8,691)	603,298
- Car Parks	47,787	-	-	-	(3,113)			2,175	46,849
- Street Lighting	43,346	629,561	-	-	(2,823)			1,973	672,057
- Guard Rail, Signage & Traffic Control	124,965	46,282	-	-	(5,672)			5,695	171,270
Bridges	1,733,326	-	-	-	(53,679)			81,088	1,760,735
Stormwater Drainage	18,305,996	-	-	-	(276,091)			835,826	18,865,731
CWMS	6,752,116	-	15,625	(7,901)	(203,036)			298,395	6,855,199
Plant, Machinery & Equipment	4,175,216	38,519	693,540	(68,791)	(523,302)			-	4,315,183
Furniture & Equipment	138,418	11,699	-	-	(24,762)			-	125,355
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT	**204,571,204**	**1,102,185**	**2,952,268**	**(216,284)**	**(4,762,218)**	**-**	**-**	**10,726,926**	**214,374,081**
Comparatives	***172,743,736***	***5,486,642***	***3,982,864***	***(578,697)***	***(4,550,257)***	***26,533***	***(26,533)***	***27,486,916***	***204,571,204***

ADELAIDE PLAINS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2026

Note 9 (cont) - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

Valuation of Assets

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

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

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

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

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

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

Information on Valuations

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

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

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

- The determination of the cost to construct the asset (or its modern engineering equivalent) using current prices for materials and labour, the quantities of each being estimated based on recent experience of this or similar Councils, or on industry construction guides where these are more appropriate.

- The calculation of the depreciation that would have accumulated since original construction using current estimates of residual value and useful life under the prime cost depreciation method adopted by Council.

This method has significant inherent uncertainties, relying on estimates of quantities of materials and labour, residual values and useful lives, and the possibility of changes in prices for materials and labour, and the potential for development of more efficient construction techniques. Accordingly, formal sensitivity analysis does not provide useful information.

Other Information

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

Highest and best use

All of Council's non financial assets are considered as being utilised for their highest and best use.

ADELAIDE PLAINS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2026

Note 9 (cont) - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

Land & Landscaping

Freehold land, as well as land controlled by the Council without legal title, is initially recognised at cost. The most recent revaluation of land assets was conducted at fair value as of 1 July 2024 by Mitch Ekonomopoulos of AVR Consulting. During the year, a desktop valuation has been completed based on market evidence of valuation provided by Mitch Ekonomopoulos of AVR Consulting as at 1 July 2025. Fair values were determined using the market approach, applying Level 2 inputs and, where necessary, Level 3 inputs in accordance with the valuation requirements.

No capitalisation threshold is applied to the acquisition of land or interests in land.

Land improvements, which primarily include landscaping, are initially recognised at cost and depreciated over the estimated remaining useful life of the associated asset. The most recent revaluation of land improvements was carried out at fair value as of 1 July 2024 by Mitch Ekonomopoulos of AVR Consulting. During the year, a desktop valuation has been completed based on market evidence of valuation provided by Mitch Ekonomopoulos of AVR Consulting as at 1 July 2025. Fair values were determined using the market approach, incorporating Level 2 inputs and, where appropriate, Level 3 inputs.

As Council is of the opinion that a reliable value cannot be attributed, land under roads has not been recognised in these financial statements. Land acquired for road purposes during the year is initially recognised at cost; however, it is subsequently transferred to fair value at the reporting date, effectively resulting in the write-off of the initial expenditure.

Building & Other Structures

Buildings and other structures generally are recognised at fair value, based on current market values. However, special purpose buildings (such as public toilets) for which there is no market are valued at depreciated current replacement cost.

Buildings which Council does not intend to replace at the end of their useful life are valued at the market value of the “highest and best” use.

All buildings and other structural assets are initially recognised at cost and depreciated over their estimated remaining useful lives. The most recent revaluation of these assets was undertaken at fair value as of 1 July 2024 by Mitch Ekonomopoulos of AVR Consulting. During the year, a desktop valuation has been completed based on market evidence of valuation provided by Mitch Ekonomopoulos of AVR Consulting as at 1 July 2025. Fair values were determined using both the Market Approach and the Cost Approach, incorporating Level 2 inputs and, where appropriate, Level 3 inputs.

Road Infrastructure

All road infrastructure assets were last revalued as at 1 July 2024 by Rod Ellis of Tonkin Consulting following a comprehensive revaluation based on detailed asset condition data collected during 2023–24. As there is no active liquid market available to determine the fair value of these assets, they have been classified as Level 3 inputs and valued using the depreciated replacement cost method. During the year, a desktop valuation has been completed by Rod Ellis of Tonkin Consulting as at 1 July 2025 using rates from Rawlinsons Australian Construction Handbook which provides the latest information for 2025 and where available contract rates provided by Council. All acquisitions made after 1 July 2025 are recognised at cost.

Other Infrastructure

Stormwater drainage infrastructure assets were last valued by Council management, with external assistance from Tonkin Consulting, at written-down replacement cost as at 1 July 2017. All acquisitions made after this date have been recorded at cost and were indexed annually. During the year, a desktop valuation has been completed by Rod Ellis of Tonkin Consulting as at 1 July 2025 using an indexation developed based on Rawlinsons Australian Construction Handbook which provides the latest information for 2025 and manufacturer pricing to establish a range of replacement rates.

Bridges were last revalued as at 1 July 2024 by Mitch Ekonomopoulos of AVR Consulting. Fair values were determined using the Cost Approach, incorporating Level 3 inputs. During the year, a desktop valuation has been completed based on indexation provided by Mitch Ekonomopoulos of AVR Consulting as at 1 July 2025.

Community wastewater management scheme (CWMS) at Middle Beach was last valued by Graham L Martin of Maloney Field Services at written down current replacement cost as at 01 July 2015. All acquisitions made after 1 July 2015 for both Mallala and Middle Beach schemes are recorded at cost and indexed annually.

During the year, a desktop valuation has been completed by Rod Ellis of Tonkin Consulting as at 1 July 2025 using an indexation developed based on Rawlinsons Australian Construction Handbook which provides the latest information for 2025 and manufacturer pricing to establish a range of replacement rates.. All acquisitions made after 1 July 2025 are recognised at cost.

Plant, Machinery, Equipment & Furniture

Pursuant to Council's election, these assets are recognised on the cost basis.

ADELAIDE PLAINS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2026

Note 10 - LIABILITIES

		2026 $		2025 $	
TRADE & OTHER PAYABLES	Notes	**Current**	**Non-current**	Current	Non-current
Goods & Services		**1,375,224**	**-**	923,406	**-**
Payments received in advance		**1,540,517**	**-**	-	**-**
Accrued expenses - employee entitlements		**76,998**	**-**	152,683	**-**
Accrued expenses - other		**186,942**	**-**	133,429	**-**
Other		**199,788**	**-**	234,464	**-**
		3,379,469	**-**	1,443,982	-
BORROWINGS					
Loans		**27,715**	**6,829,596**	26,522	10,054,242
		27,715	**6,829,596**	26,522	10,054,242

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

PROVISIONS					
Employee entitlements (including oncosts)		**1,835,622**	**302,783**	1,691,769	246,875
		1,835,622	**302,783**	1,691,769	246,875

ADELAIDE PLAINS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2026

Note 11 - RESERVES

ASSET REVALUATION RESERVE	Notes	1/7/2025 $	Net Increments (Decrements) $	1/7/2026 $
Land - Community		17,730,368	2,088,148	**19,818,516**
Land - Other		10,050,005	1,403,623	**11,453,628**
Land Improvements		7,046,767	25,630	**7,072,397**
Buildings & Other Structures		7,212,665	498,124	**7,710,789**
Infrastructure				
- Roads, Kerbing & Footpaths		93,995,270	6,711,401	**100,706,671**
Joint Ventures - Other Comprehensive Income		7,760,065	(41,628)	**7,718,437**
TOTAL		143,795,140	10,685,298	**154,480,438**
	Comparatives	*116,526,043*	*27,269,097*	***143,795,140***

OTHER RESERVES	1/7/2025	Transfers to Reserve	1/7/2026
CWMS Reserve - Middle Beach	48,917	-	**48,917**
Footpath Construction Reserve	31,419	-	**31,419**
TOTAL OTHER RESERVES	80,336		**80,336**
Comparatives	*80,336*		***80,336***

PURPOSES OF RESERVES

Asset Revaluation Reserve

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

Other Reserves

The CWMS Reserve is rate revenue received in excess of annual expenditure held for future maintenance of the scheme

Footpath Construction Reserve is funds received from developers and held for future footpath construction.

ADELAIDE PLAINS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2026

Note 12 - ASSETS SUBJECT TO RESTRICTIONS

The uses of the following assets are restricted, wholly or partially, by legislation or other externally imposed requirements. The assets are required to be utilised for the purposes for which control was transferred to Council, or for which the revenues were originally obtained.

		2026	2025
CASH & FINANCIAL ASSETS	Notes	**$**	$
Developer Contributions		**38,141**	36,612
Two Wells Community Fund		**67,809**	97,354
TOTAL ASSETS SUBJECT TO EXTERNALLY IMPOSED RESTRICTIONS		**105,950**	133,966

Developer Contributions are restricted to either open space landscaping or footpaths in the applicable developments.

Two Wells Community fund is maintain to provide financial assistance to Two Wells community.

ADELAIDE PLAINS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2026

Note 13 - RECONCILIATION TO CASH FLOW STATEMENT

(a) Reconciliation of Cash

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

	Notes	2026 $	2025 $
Total cash & equivalent assets	7	**300,585**	287,450
Balances per Cash Flow Statement		**300,585**	287,450

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

Net Surplus (Deficit)	**1,569,218**	8,103,819
Non-cash items in Income Statement		
Depreciation, amortisation & impairment	**4,762,218**	4,550,257
Equity movements in equity accounted investments	**149,119**	109,224
Net increase (decrease) in unpaid employee benefits	**124,078**	170,619
Non-cash asset acquisitions	**(194,500)**	(5,173,146)
Grants for capital acquisitions treated as Investing Activity	**(551,215)**	(1,507,611)
Net (Gain) Loss on Disposals	**58,720**	300,855
	5,917,638	6,554,017
Add (Less): Changes in Net Current Assets		
Net (increase) decrease in receivables	**(973,406)**	(214,205)
Net (increase) decrease in inventories	**6,615**	(195,964)
Net increase (decrease) in trade & other payables	**2,011,176**	(1,155,583)
Net Cash provided by (or used in) operations	**6,962,023**	4,988,265

(c) Non-Cash Financing and Investing Activities

Acquisition of assets by means of:			
- Physical resources received free of charge	4	**194,500**	5,173,146
		194,500	5,173,146

(d) Financing Arrangements

Unrestricted access was available at balance date to the following lines of credit:		
Corporate Credit Cards	**25,000**	25,000
LGFA Cash Advance Debenture Facility	**14,973,000**	14,973,000

Council has access to cash facilities of $14,973,000 and minimises interest expense by transferring funds between cash at bank and LGFA Cash Advance Debenture Facility

ADELAIDE PLAINS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2026

Note 14 - FINANCIAL INSTRUMENTS

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

Accounting Policies - Recognised Financial Instruments

Bank, Deposits at Call, Short Term Deposits	**Accounting Policy:** Initially recognised at fair value and subsequently measured at amortised cost, interest is recognised when earned. Terms & conditions: Short term deposits have an average maturity of 30 days and an average interest rates of 4.11% (2024-25: 30 days, 4.54%). **Carrying amount:** approximates fair value due to the short term to maturity.
Receivables - Rates & Associated Charges (including legals & penalties for late payment)	**Accounting Policy: I**nitially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method. Terms & conditions: Secured over the subject land, arrears attract interest of 8.50% per annum (2024-25: 9.15%) Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State. **Carrying amount:** approximates fair value (after deduction of any allowance).
Receivables - Fees & other charges	**Accounting Policy: I**nitially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method. **Terms & conditions:** Unsecured, and do not bear interest. Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries. **Carrying amount:** approximates fair value (after deduction of any allowance).
Receivables - other levels of government	**Accounting Policy: I**nitially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method. **Terms & conditions:** Amounts due have been calculated in accordance with the terms and conditions of the respective programs following advice of approvals, and do not bear interest. All amounts are due by Departments and Agencies of State and Federal Governments. **Carrying amount:** approximates fair value.
Liabilities - Creditors and Accruals	**Accounting Policy:** Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Council. **Terms & conditions:** Liabilities are normally settled on 30 day terms. **Carrying amount:** approximates fair value.
Liabilities - Interest Bearing Borrowings	**Accounting Policy:** Initially recognised at fair value and subsequently at amortised cost. Interest is charged as an expense using the effective interest rate. Terms & conditions: secured over future revenues, borrowings are repayable on both credit foncier and cash advance; interest is charged at fixed rate of 4.45% to 5.58% for credit foncier (2024-25: 4.45% to 6.15%) and the cash advances at variable rates between 5.25% and 5.85% as at 30 June 2026 (2024-25: between 5.00% & 6.15% as at 30 June 2025). **Carrying amount:** approximates fair value.
Liabilities - Leases	**Accounting Policy:** accounted for in accordance with AASB 16 as stated in Note 1.

ADELAIDE PLAINS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2026

Note 14 (cont) - FINANCIAL INSTRUMENTS

Liquidity Analysis

2026		Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Financial Assets		$	$	$	$	$
Cash & Equivalents		**300,585**	**-**	**-**	**300,585**	**300,585**
Receivables		**2,577,116**	**-**	**-**	**2,577,116**	**2,577,116**
	Total	**2,877,701**	**-**	**-**	**2,877,701**	**2,877,701**
Financial Liabilities						
Payables		**3,379,469**	**-**	**-**	**3,379,469**	**3,379,469**
Current Borrowings		**102,646**	**-**	**-**	**102,646**	**27,715**
Non-Current Borrowings		**-**	**5,577,205**	**1,863,357**	**7,440,562**	**6,829,596**
	Total	**3,482,115**	**5,577,205**	**1,863,357**	**10,922,677**	**10,236,780**

2025		Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Financial Assets		$	$	$	$	$
Cash & Equivalents		287,450	-	-	287,450	287,450
Receivables		1,725,293	-	-	1,725,293	1,725,293
	Total	2,012,743	**-**	**-**	2,012,743	2,012,743
Financial Liabilities						
Payables		1,443,982	-	-	1,443,982	1,443,982
Current Borrowings		102,646	-	-	102,646	26,522
Non-Current Borrowings		-	8,774,136	1,966,004	10,740,140	10,054,242
	Total	1,546,628	8,774,136	1,966,004	12,286,768	11,524,746

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

	30 June 2026		30 June 2025	
	Weighted Average Interest Rate	Carrying Value	Weighted Average Interest Rate	Carrying Value
	%	$	%	$
Other Variable Rates	**5.85**	**5,166,620**	5.50	2,363,551
Fixed Interest Rates	**4.45**	**1,690,691**	5.27	7,717,213
		6,857,311		10,080,764

Net Fair Value

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

Risk Exposures

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

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

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

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

ADELAIDE PLAINS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2026

Note 15 - COMMITMENTS FOR EXPENDITURE

	Notes	2026 $	2025 $
Capital Commitments			
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:			
Land		**-**	12,955
Road		**-**	98,916
Open Space		**-**	-
		-	111,871
These expenditures are payable:			
Not later than one year		**-**	111,871
		-	111,871
Expenditure Commitments			
Other non-capital expenditure commitments:			
Other Contracts		**8,632,156**	4,931,253
		8,632,156	4,931,253
These expenditures are payable:			
Not later than one year		**1,838,086**	1,042,705
Later than one year and not later than 5 years		**6,794,070**	3,888,548
		8,632,156	4,931,253

ADELAIDE PLAINS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2026

Note 16 - SUPERANNUATION

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

Accumulation only Members
Accumulation only members receive both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of ordinary time earnings in accordance with superannuation guarantee legislation (12% in 2025/26; 11.50% in 2024/25). No further liability accrues to the Council as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

Salarylink (Defined Benefit Fund) Members
Salarylink is a defined benefit scheme where the benefit payable is based on a formula determined by the member's contribution rate, number of years and level of contribution and final average salary. Council makes employer contributions to Salarylink as determined by the Fund's Trustee based on advice from the appointed Actuary. The rate is currently 6.3% (6.3% in 2023/24) of "superannuation" salary.

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

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

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

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

ADELAIDE PLAINS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2026

Note 17 - INTERESTS IN OTHER ENTITIES

Joint Operations

Section 43 of the *Local Government Act 1999* , provides that Councils may establish a regional subsidiary to carry out joint projects, functions or activities of the Councils

Legatus Group

The Adelaide Plains Council is a member of the Legatus Group, referred to in this report as the "Regional Subsidiary" for the following purposes:

1. Undertake co-ordinating, advocacy and representational roles on behalf of its Constituent Councils at a regional level;

2. Facilitate and co-ordinate activities of local government at a regional level related to community and economic development with the object of achieving improvement for the benefit of the communities of its Constituent Councils;

3. Develop, encourage, promote, foster and maintain consultation and co-operation and to strengthen the representation and status of local government when dealing with other governments, private enterprise and the community;

4. Develop further co-operation between its Constituent Councils for the benefit of the communities of the region;

5. Develop and manage policies which guide the conduct of programs and projects in the region with the objective of securing the best outcomes for the communities of the region;

6. Undertake projects and activities that benefit the region and its communities;

7. Associate, collaborate and work in conjunction with other regional local government bodies for the advancement of matters of common interest.

During the 2025-26 year Council Subsidiary contribution was $14,740 ($14,740 in 2024-25).

Equity accounted Council Businesses

All equity accounted Council businesses are required to prepare Annual Financial Statements that comply with the SA Local Government Model Financial Statements.

Gawler River Floodplain Management Authority (GRFMA)

The GRFMA has been established for the following purposes:

1. To coordinate the construction, operation and maintenance of flood mitigation infrastructure in the Gawler River area (the Floodplain);

2. To raise finance for the purpose of developing, managing and operating and maintaining flood mitigation works within the Floodplain;

3. To provide a forum for the discussion and consideration of topics relating to the Constituent Council's obligations and responsibilities in relation to management of flood mitigation within the Floodplain;

4. To enter into agreements with Constituent Councils for the purpose of managing and developing the Floodplain.

During the 2025-26 year Council contribution to GRFMA was $95,214 incl GST ($95,214 in 2024-25).

This note is continued on the next page.

ADELAIDE PLAINS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2026

Note 17 (cont) - INTERESTS IN OTHER ENTITIES

	2026	2025
Gawler River Floodplains Management Authority	**$**	$
Council's respective interests are:		
- share of maintenance of assets	**28.91%**	28.91%
- share of operating costs	**16.67%**	16.67%
- share of capital works	**28.91%**	28.91%
- the proportion of voting power	**16.67%**	16.67%
- share of operating result & net assets	**25.33%**	25.43%
Movements in Investment in Joint Operation	**$**	$
Opening Balance	**10,646,527**	10,973,570
Share in Operating Result	**(149,119)**	(109,224)
Adjustment to Equity Share	**(41,628)**	(217,819)
Share in Equity of Joint Operation	**10,455,780**	10,646,527
Summarised financial information of the equity accounted business		
Statement of Financial Position		
Cash and cash equivalents	***328,366***	*24,685*
Other current assets	***14,603***	*53,433*
Non-current assets	***41,194,747***	*41,900,845*
Total assets	***41,537,716***	*41,978,963*
Current trade and other payables	***252,449***	*99,485*
Borrowings	***-***	*5,404*
Total liabilities	***252,449***	*104,889*
Net Assets	***41,285,267***	*41,874,074*
Statement of Comprehensive Income		
Other income	***2,375***	*-*
Contributions from constituent Councils	***290,670***	*416,922*
State Government Grants	***10,000***	*85,094*
Interest income	***4,756***	*1,426*
Total Income	***307,801***	*503,442*
Materials, contracts & other expenses	***190,243***	*220,496*
Depreciation, amortisation & impairment	***706,098***	*706,098*
Finance costs	***266***	*6,439*
Total expenses	***896,607***	*933,033*
Total Comprehensive Income	***(588,806)***	*(429,591)*

ADELAIDE PLAINS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2026

Note 18 - CONTINGENT ASSETS & CONTINGENT LIABILITIES

The following assets and liabilities do not qualify for recognition in the Balance Sheet but knowledge of those items is considered relevant to the user of the financial report in making and evaluating decisions about the allocation of scarce resources.

1 **LAND UNDER ROADS**

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

2 **LEGAL EXPENSES**

Council is the planning consent authority for its area under the *Planning, Development and Infrastructure Act 2016*. Pursuant to that Act, certain persons aggrieved by a planning decision of the Council may appeal. It is normal practice that parties bear their own legal costs. At the date of these reports, Council had notice of two appeals against planning decisions made prior to reporting date. All known costs have been recognised, but the amount of further costs cannot be known until the appeals are determined.

3 **POTENTIAL INSURANCES LOSSES**

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

Council has insured against all known insurable risks using a range of insurance policies, each of which is subject to a deductible "insurance excess", the amount of which varies according to the class of insurance.

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

4 **Contingent liabilities**

A contingent liability is a potential liability that may occur in the future, such as pending lawsuits or honoring product warranties.

In a lawsuit alleging unpaid consulting fees, Trans Tasman Energy Group Pty Ltd (TTEG) has filed a claim for $7.3 million plus costs and interest against the State of South Australia and 61 Respondent Councils in the Supreme Court of South Australia.

The Local Government Association of SA is acting as the Councils' agent and is coordinating a joint defence of the proceedings on behalf of the 61 Respondent Councils. Approximately $12,802 is Council's proportionate share of the damages that TTEG is claiming, plus expenses and interest. Council's legal counsel was unable to predict a likely monetary settlement at the reporting date.

ADELAIDE PLAINS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2026

Note 19 - RELATED PARTY DISCLOSURES

The Key Management Personnel of the Council include the Mayor, Councillors, CEO and certain prescribed officers under section 112 of the *Local Government Act 1999*. In all, 19 persons were paid the following total compensation:

Type of compensation	2026 ($)
Salaries, allowances & other short term benefits	1,810,478
Total	**1,810,478**

Amount payable as direct reimbursement of expenses incurred on behalf of the Adelaide Plains Council have not been included above.

Other Related Parties

Adelaide Plains Council is a member of Gawler River Floodplains Management Authority (GRFMA). The Council is represented by two Elected Members as Board Member and Deputy Board member of the GRFMA . In addition, Council's Chief Executive Officer and a Director are the proxy board member of the GRFMA.

During the 2025-26 year Council's contribution to GRFMA was $73,457 (incl. GST)

Council contains some key management personnel that have relationships with parties that the Council may transact with on a regular basis. Relationships includes, Two Wells Community Centre, Two Wells Regional Action Team Incorporated, The Plains Community Group Incorporated, Two Wells Flowers and Two Wells Melodrama Group incorporated.

The nature of these organisation's activities with Council typically include lease of property from the Council: they may also be the recipient of hire income from the Council and grants income from Two Wells Community Fund and Business Support Program.

Key management personnel and their close family members may either have an employment relationship or committee role with these organisations and/or access their services. All matters when addressed by the key management personnel are covered by Council's Public Interest Disclosure Procedures.

Dean Newbery — External Audit

External Audit Completion Report

- Financial Year Ended 30 June 2026

Adelaide Plains Council| Prepared by Dean Newbery | October 2026

1

External Audit Completion Report — FY26

Introductory Letter

Date
23 October 2026

Prepared for
Adelaide Plains Council — Audit & Risk Committee

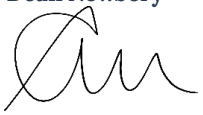
Dear Audit & Risk Committee Members,

This report has been prepared for the Council's Audit & Risk Committee in relation to the financial year ended 30 June 2026 external audit. The purpose of this report is to provide members of the Audit & Risk Committee a summary of the significant matters that have arisen from our audit which we believe covers material matters dealt within our work completed.

As at the time of preparing this report, we have completed a sufficient level of work to enable us to provide you with our expected audit opinions subject to finalisation of the outstanding matters outlined within this report. We are pleased to report that we expect to issue unmodified audit reports subject to the successful completion of the outstanding matters noted.

I would like to take this opportunity to thank the Administration for the assistance provided throughout the audit process. Should you require any further information, please contact me on 8267 4777 or Samanthac@deannewbery.com.au.

Yours sincerely,
Dean Newbery



Samantha Creten
Director

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Audit Scope & Opinions

The audit was conducted under Australian Auditing Standards and per the scope under the *Local Government Act* 1999, forming two distinct opinions on the Council's financial report and internal controls.

Audit Scope

Audit procedures were designed and carried out in accordance with Australian Auditing Standards and per the audit scope prescribed under the *Local Government Act* 1999 and applicable Regulations for the financial year ended 30 June 2026.

Opinion 1 — Financial Report

Financial Reporting

Whether the financial report was prepared, in all material respects, in accordance with Australian Accounting Standards, the *Local Government Act* 1999 and applicable Regulations.

Opinion 2 — Internal Controls

Internal Controls

Whether controls exercised by the Council relating to receipt, expenditure and investment of moneys, acquisition and disposal of property and incurring of liabilities are sufficient to provide assurance that financial transactions have been conducted properly and in accordance with law. Based on the criteria in the *Better Practice Model – Financial Internal Control* issued by the Local Government Association of South Australia.

Audit Status & Independence

Subject to resolution of outstanding matters, unmodified audit opinions are expected and our independence has been maintained in full compliance with professional requirements.

Audit Status

All requested audit adjustments have been processed and disclosures within the financial report appropriately modified based on audit testing completed. All requested information has been provided by the Administration.

Financial Report Opinion = unmodified audit opinion

Internal Controls Opinion = unmodified audit opinion

Independence

We confirm that all members of our audit team have maintained independence in accordance with APES 110 – Code of Ethics for Professional Accountants, Part 4A, and in accordance with the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011*.

Outstanding Matters to be Completed

The following matters are required to be finalised prior to issuance of audit opinions:

- Undertake a review of subsequent events since balance date
- Obtain certified financial statements as required
- Receipt of the signed Management Representation Letter

We expect to complete these matters within Council's timeframes to meet adoption & reporting deadlines.

Summary of Misstatements

Corrected and uncorrected misstatements identified during the audit are disclosed below for committee consideration.

Below is a summary of misstatements identified during the course of the Balance Date audit and the status of matters identified. Any misstatements, either individually or in aggregate, that are considered to be immaterial have not been adjusted. Misstatements which are considered trivial have not been included in the table below.

No.	Audit Matter	Operating Surplus/ (Deficit) ($'000)	Net Surplus/ (Deficit) ($'000)	Assets Dr/(Cr) ($'000)	Liabilities Dr/(Cr) ($'000)	Equity Dr/(Cr) ($'000)	Status
	There are no misstatements to report						

	Operating Surplus/(Deficit)	Net Surplus/(Deficit)	Assets Dr/(Cr)	Liabilities Dr/(Cr)	Equity Dr/(Cr)
Summary — Corrected ($'000)	—	—	—	—	—
Summary — Uncorrected ($'000)	—	—	—	—	—

Matters for Those Charged with Governance and Management

No instances of fraud or legal non-compliance were identified; however, ongoing vigilance of the internal control environment is encouraged.

Fraud

Audit Approach

The external audit is not designed to detect fraud; however, audit procedures include evaluating the risk of material misstatement due to fraud whilst maintaining professional scepticism and evaluating evidence for signs of fraud.

Outcome

- The Administration have confirmed that there were no matters of fraud identified for the financial year and we have not identified any instances of fraud in the work completed.
- We believe it is important for the Administration and the Audit & Risk Committee to continually evaluate and enhance the effectiveness of the internal control environment to identify and mitigate potential fraud risks.

Legal Compliance

Audit Approach

Enquiries were made with the Administration in relation to non-compliance with laws and regulations during the course of the financial year.

Outcome

- No instances of non-compliance have been identified as a result of audit testing undertaken during the financial year.

Management Override of Internal Controls

As part of our audit planning process we identified key audit and accounting matters that were considered and tested during the course of the audit which represented areas of identified risk where material misstatements could occur.

Management Override of Internal Controls

Key Audit Matter Description

The Australian Auditing Standards mandate that the external auditor must assume there is a risk that the Council's Administration can override internal controls, even those that appear to be functioning effectively, leading to potential manipulation of accounting records.

Audit Work Undertaken

- Review and observation of controls in operation
- Analytical reviews and recalculation of transactions
- Testing of journal entries
- Review of accounting estimates and assumptions

Outcomes

No matters were identified during the course of our audit.

No Issues Identified

Key Audit Matters Considered

Below is a summary of the key audit matters considered during the course of the audit along with the work we have undertaken to address the key audit matter and the outcome of the testing completed.

Property, Plant & Equipment (IPPE)

Key Audit Matter Description

Review of Council's Infrastructure, Property, Plant and Equipment carrying values and movement reported per Note 9 of the Financial Statements.

Audit Work Undertaken

- Conducted sample testing on asset additions and disposals to verify accuracy and compliance with accounting policies.
- Reviewed the presentation and disclosure of fixed assets in Note 9 of the financial statements to ensure alignment with the South Australian Local Government Model Financial Statements.
- Reconciled Note 9 balances with the Council's Asset Registers to confirm accuracy.
- Performed sample testing on depreciation expense

Outcomes of Testing

No material Exceptions were noted

Revaluation of Infrastructure, Property, Plant & Equipment (IPPE) Assets

Key Audit Matter Description

An external asset revaluation was undertaken on all major asset classes, excluding plant and furniture which are held at cost. The impact of depreciation has been disclosed in Note 9 of the Annual Financial Statements.

Audit Work Undertaken

Evaluation of assumptions and data used to calculate carrying values and annual depreciation expenses.

Assessment of capabilities, experience and work undertaken of valuers engaged to conduct independent valuations to ensure assumptions applied to the valuations are reasonable.

Outcomes of Testing

No material exceptions were noted

Key Audit Matters Considered

Below is a summary of the key audit matters considered during the course of the audit along with the work we have undertaken to address the key audit matter and the outcome of the testing completed.

Treatment of Capital Works in Progress (WIP)

Key Audit Matter Description	Audit Work Undertaken	Outcomes of Testing
Correct classification & treatment of transactions recorded to ensure compliance with AASB 116	Reviewed WIP reconciliations to identify any long-term projects recorded to ensure correct ongoing classification of costs as WIP. Sample tested transactions allocated to WIP to ensure appropriate allocation of expenses incurred as Operating vs Capital in line with AASB 116.	Audit procedures did not identify any material misstatements

Grants Revenue Received

Key Audit Matter Description	Audit Work Undertaken	Outcomes of Testing
Review of Grant income and presentation of Grant funding in the Financial Statements.	Reviewed Grant Agreements and identified specific performance obligation to assess whether there were any unrecorded liabilities, and the recognition of revenue was appropriate per accounting standards. Reviewed accounting treatment of funding received (e.g., Capital vs Operating) to ensure appropriate classification and disclosure per the Model Financial Statements.	Corrections were required to the presentation of Roads to Recovery grant funding in the Statement of Comprehensive income and Note 4 to align with the recommended treatment per the Model Financial Statements. This did not have a material effect on the financial statements.

Matters to be Addressed in Future Financial Years

As a result of audit work completed, the following audit matters have been identified during the course of our audit which we have summarised below.

No.	Audit Matter Description	Audit Recommendation
1	As at 30 June 2026 Council, Council's rates debtors were $1,601,681 with 97 Rates assessments with arrears balances in excess of $5,000, making up $914,981 of the $1,601,681 (57%) of the outstanding debtor balance.	We understand that due to staff changes the Administration had temporarily ceased active debt recovery of outstanding rates debtors. Based on our discussion with the Administration, it is our understanding that debt recovery processes are expected to recommence in FY27. As part of our FY27 audit planning, we will factor in our scope of matters to be considered the internal controls and substantive testing over rate debtors recovery.
2	Council currently does not recognise a provision for the future restoration of rubble pits used to source material recorded as inventory. As a result, Council has not accounted for its obligation to rehabilitate and restore the land upon depletion of the rubble stockpiles. There is a risk that Council is understating their inventory balances and associated expenses in the financial statements.	Recommend that Council assess its legal and constructive obligations relating to the rehabilitation of rubble pits and recognise an appropriate restoration provision in accordance with applicable accounting standards. We encourage the Council to put in pace ongoing procedures that ensure the provision is periodically reviewed updated so that financial projections remain up-to-date and reflect current cost estimates and all restoration requirements.
3	As reported in the key audit matters considered section of this report, revaluations have been completed on all major asset classes, excluding plant and furniture which are held at cost. The impact on projected depreciation as a result of the revaluation movements recorded has been disclosed in Note 9 of the Financial Statements.	Given the work undertaken in FY26 to revalue these classes, we recommend that Council undertakes a detailed review and update to its key strategic plans to ensure that they reflect updated information now available. In particular, updates to key strategic documents such as the Infrastructure & Asset Management Plan (IAMP) and the Long Term Financial Plan (LTFP) should be undertaken to reflect updated assumptions, estimates and assessed allocation of resources to meet future demands and compliance obligations.

Future Developments & Accounting Standard Updates

AASB 18 replaces AASB 101 and will fundamentally change how councils present and disclose their financial performance. This change will be effective for NFP public sector entities from periods beginning on or after 1 January 2028. It is expected that future updates to the Model Financial Statements will incorporate the new requirements of AASB 18.

What is AASB 18?

AASB 18 *Presentation and Disclosure in Financial Statements* was issued in June 2024 and replaces AASB 101 *Presentation of Financial Statements*.

Effective Date — NFP Public Sector (incl. Local Government)

Annual reporting periods beginning on or after **1 January 2028** ; earlier application is permitted. The AASB is consulting on specific modifications for NFP entities including local government, with a roundtable held in February 2026 to discuss ED 338 proposals.

Three Key Changes

1. **New Structured Income Statement**
   Income and expenses classified into operating, investing, financing, discontinued operations and income tax categories — with new required subtotals including operating profit.
2. **Management-Defined Performance Measures**
   Transparency requirements for any subtotals or performance measures that appear in financial statements.
3. **Enhanced Aggregation & Disaggregation**
   Principles for grouping information to improve relevance and comparability.

AASB 18 Impact for SA Local Government

Councils will need to assess how their income statement structure, chart of accounts and management reporting align with the new categories introduced by AASB 18. This includes preparing for changes to templates used to prepare strategic documents such as the annual budget and Long-Term Financial Plan.

Statement of Comprehensive Income Restructure

Transactions will need to be classified into operating, investing and financing categories — significant for councils with diverse income streams including rates, grants, investment returns and asset disposal proceeds.

New Subtotals Required

Operating profit/loss and profit before financing activities must be presented, requiring chart-of-accounts and financial system updates across council operations.

Management-Defined Performance Measures

Any non-GAAP measures disclosed must include a reconciliation and explanation — relevant for councils that report adjusted operating results or community service obligations.

NFP Modifications Under Consideration

The AASB is assessing whether specific relief provisions are warranted for NFP public sector entities under ED 338; councils should monitor AASB communications and engage with industry bodies such as the LGA and SALGFMG on the outcome of consultations.

Recommended Actions Prior to 1 July 2027

Conduct gap analysis against AASB 18 classification requirements | Engage finance systems providers on required system updates | Review current management reporting for management-defined performance measures that will require additional disclosure.

ESG & Sustainability Reporting Overview

Australia has enacted mandatory climate-related financial disclosures through a phased rollout. While SA councils are not currently in scope, the regulatory direction is clear and early preparation is prudent.

Legislative Basis

The *Treasury Laws Amendment (Financial Market Infrastructure and Other Measures) Act 2024* established mandatory climate-related financial disclosures aligned to the ISSB framework.

AASB S1 Voluntary

General Requirements for Disclosure of Sustainability-related Financial Information

Covers all sustainability-related risks and opportunities that could affect an entity's cash flows, access to finance or cost of capital.

AASB S2 Mandatory (in-scope entities)

Climate-related Disclosures

Requires disclosure across four pillars:

- Governance
- Strategy
- Risk Management
- Metrics & Targets

Includes Scope 1, 2 and (where material) Scope 3 GHG emissions.

Phased Rollout

Corporations Act entities only:

1. **Group 1 — from 1 January 2025**
   Revenue ≥ $500m or Assets ≥ $1b or 500+ employees
2. **Group 2 — from 1 July 2026**
   Medium entities below Group 1 thresholds
3. **Group 3 — from 1 July 2027**
   Smaller in-scope entities

SA councils are not currently in mandatory scope. The AASB has signalled intent to extend obligations to the public & NFP sector in future phases — early preparation is prudent.

ESG & Sustainability Reporting — Impact for SA Local Government

Although councils are not currently subject to mandatory AASB S2 obligations, ESG reporting expectations from ratepayers, state government and community stakeholders are increasing and councils should begin building their reporting capability now.

Climate Risk Disclosure

Identify and document physical and transition climate risks material to council infrastructure, service delivery and long-term financial sustainability.

Greenhouse Gas Emissions

Begin tracking Scope 1 and Scope 2 emissions from council operations; identify material Scope 3 sources (e.g. contractors, fleet, waste).

Governance Structures

Document council and management oversight of sustainability risks; align with TCFD four-pillar framework (Governance, Strategy, Risk Management, Metrics & Targets).

Community & Stakeholder Expectations

LGA SA member councils and the South Australian Government are increasingly embedding sustainability into strategic plans, asset management plans and long-term financial plans.

Current Position for SA Councils

SA local government entities fall outside the current mandatory AASB S2 scope (which applies to Corporations Act entities). However, the AASB has signalled intent to extend sustainability reporting obligations to the public sector and NFP sector in future phases.

Recommended Action — FY27

Conduct an **ESG readiness assessment in FY27** to establish a baseline position ahead of potential future mandatory reporting obligations.

Audit Report

Draft Audit Report — Part 1

DRAFT

Period

Year ended 30 June 2026

Prepared by

Dean Newbery

Expected Opinion

Unmodified (subject to finalisation of outstanding matters)

Engagement Context

This Draft report is part of the Independent Auditor's Report on the financial statements for the financial year ended 30 June 2026, conducted in accordance with Australian Auditing Standards and the requirements of the *Local Government Act 1999* and *Local Government (Financial Management) Regulations 2011*.

Once we receive certified financial statements, we will issue our Audit opinions

Independence

We are independent of the Council in accordance with APES 110 Code of Ethics for Professional Accountants, Part 4A and the Local Government Act 1999. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

Independent Auditor's Report — To the members of the Adelaide Plains Council

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report of the Adelaide Plains Council (the Council), which comprises the Statement of Financial Position as at 30 June 2026, the Statement of Comprehensive Income, the Statements of Changes in Equity, the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and other explanatory information and the Certification of the Financial Statements.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Council as at 30 June 2026, and its financial performance and its cash flows for the year then ended in accordance with the *Local Government Act 1999*, *Local Government (Financial Management) Regulations 2011* and the Australian Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described as in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Council in accordance with the auditor independence requirements of the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Council's Responsibility for the Financial Report

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

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

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

Audit Report

Draft Audit Report — Part 2

DRAFT

Period

Year ended 30 June 2026

Prepared by

Dean Newbery

Expected Opinion

Unmodified (subject to finalisation of outstanding matters)

Report on the Audit of the Financial Report cont.

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

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

Signature

Samantha Creten
Director

Date: October 2026

Audit Report

Draft Independent Assurance Report on the Internal Controls of Council— Part 1

DRAFT

Period

Year ended 30 June 2026

Prepared by

Dean Newbery

Expected Opinion

Unmodified (subject to finalisation of outstanding matters)

Independent Assurance Report on the Internal Controls — To the members of Adelaide Plains Council

Opinion

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

Basis for Opinion

We have audited the Internal Controls of the Council under the requirements of Section 125 of the *Local Government Act* 1999 in relation only to the Internal Controls established by the Council to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities for the period 1 July 2025 to 30 June 2026 have been conducted properly and in accordance with law.

We conducted our engagement in accordance with Standard on Assurance Engagements ASAE 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information and ASAE 3150 Assurance Engagements on Controls issued by the Auditing and Assurance Standards Board.

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

The Council's Responsibility for the Internal Controls

The Council is responsible for implementing and maintaining an adequate system of internal controls, in accordance with Section 125 of the Local Government Act 1999 to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and incurring of liabilities have been conducted properly and in accordance with law.

Our Independence and Quality Control

We have complied with the independence and other relevant ethical requirements relating to assurance engagements, and applying Auditing Standard ASQC 1 *Quality Control for Firms that Perform Audits and Review of Financial Reports and Other Financial Information*, and Other Assurance Engagements in undertaking the assurance engagement.

Assurance Practitioner's Responsibilities

Our responsibility is to express an opinion on the Council's compliance with *Section 125 of the Local Government Act* 1999 in relation only to the Internal Controls established by the Council to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities, based on our procedures have been conducted properly and in accordance with law.

ASAE 3150 requires that we plan and performed our procedures to obtain reasonable assurance about whether, in all material respects, the controls are suitably designed to achieve the control objectives and the controls operating effectively through the period. ASAE 3000 also requires us to comply with the relevant ethical requirements for the Australian professional accounting bodies.

An assurance engagement to report on the designed and operating effectiveness of controls involves performing procedures to obtain evidence about the suitability of the design of the controls to achieve the control objectives and the operating effectiveness of the controls throughout the period. The procedures selected depend on our judgement, including the assessment of the risks that the controls are not suitably designed or the controls did not operate effectively. Our procedures included testing the operating effectiveness to the controls that we consider necessary to achieve the control objectives identified. An Assurance engagement of this type also includes evaluating the suitability of the control objectives.

Audit Report

Draft Independent Assurance Report on the Internal Controls of Council— Part 2

DRAFT

Period

Year ended 30 June 2026

Prepared by

Dean Newbery

Expected Opinion

Unmodified (subject to finalisation of outstanding matters)

Limitation on Use

This report has been prepared for the members of the Council in accordance with Section 129(1)(b) of the *Local Government Act 1999* in relation to the Internal Controls specified above. We disclaim any assumption of responsibility for any reliance on this report to any persons or users other than the members of the Council, or for any purpose other than that for which it was prepared.

Limitations of Controls

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

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

Signature

Samantha Creten
Director

Date: October 2026

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Attachment 1

Variances in Statement of Comprehensive Income

Description	2025/2026 Actual	2024/2025 Actual	Favourable/ (Unfavourable)	
	$	$	$	%
Rates	**16,342,886**	**15,056,782**	**1,286,104**	**9**
The average rate increase in 2025/26 was 4.90%, including growth, resulting in an increase of $1,105,759 in general rates income, net of rebates.			1,105,759	
Income from the Kerbside Waste Collection Service Charge increased due to the combined impact of an increase in the service charge from $210 to $216 per standard service and an increase in the number of services from 4,982 in 2024/25 to 5,482 in 2025/26.			88,264	
Council's contribution to the Regional Landscape Levy increased in accordance with the advice provided by the Northern and Yorke Landscape Board.			26,626	
Mallala CWMS connection fee income was $32,727 in 2025/26, compared with no connection fee income in 2024/25.			32,727	
Income from CWMS service charges increased due to a 7% increase in the annual service charge for both the Mallala and Middle Beach services.			20,959	
Fines and interest on overdue Council rates increased by $23,157 compared to the previous year.			23,157	
Legal fees recovered through the S184 process (sale of land for non-payment of rates) decreased in 2025/26, as no new properties proceeded through the S184 process during the year.			(11,914)	
Statutory Charges	**587,429**	**701,994**	**(114,565)**	**(16)**
Income from expiations and fines relating to fire, parking, health, nuisance and litter increased by $10,746 compared to the previous year.			10,746	
Income from dog registrations and infringements decreased by $21,345 compared to the previous year, mainly due to a reduction in the number of registered dogs from 5,896 in 2024/25 to 5,254 in 2025/26.			(21,345)	
Income from development applications decreased by $44,287, primarily due to a reduction in the number of applications processed, from 676 in 2024/25 to 569 in 2025/26, despite the total value of development approvals increasing from $101m to $118m.			(44,287)	
Income from wastewater approvals decreased due to a reduction in wastewater inspections and applications assessed, from 251 inspections and 258 applications in 2024/25 to 241 inspections and 138 applications in 2025/26.			(59,155)	
User Charges	**257,015**	**251,152**	**5,863**	**2**
Income from the Waste Transfer Station was higher in 2025/26 compared to 2024/25			9,659	
Income from rates searches increased due to a higher number of Section 187 searches undertaken compared to the previous year.			5,565	
Income from cemetery burial fees and interment/lease rights decreased during the year by $8,075			(8,075)	
Grants, Subsidies and Contributions	**4,001,099**	**4,035,327**	**(34,228)**	**(1)**
Roads to Recovery funding received in 2025/26 was $79,009 higher than the amount received in 2024/25.			79,009	
Grants received under the Supplementary Local Road Funding (Formula Funding) program in 2025/26 were $1,621 higher than the amount received in 2024/25.			1,621	

Attachment 1

Financial Assistance Grant (FAG) income received in 2025/26 was $107,026 lower than in 2024/25, primarily due to a change in the percentage of FAG paid in advance.			(107,026)	
Investment Income	**17,430**	**9,068**	**8,362**	**92**
Interest income from bank deposits increased following Council's transition from BankSA to the Commonwealth Bank of Australia (CBA) on 11 March 2025. Unlike the previous BankSA account, which did not earn interest, Council's main trading account with CBA generated interest income, supported by higher average daily account balances.			8,362	
Reimbursements & Other Income	**404,456**	**327,790**	**76,666**	**23**
The income protection insurance premium refund received in 2025/26, relating to premiums paid in 2024/25 following finalisation of actual 2024/25 wages, was lower than the equivalent refund received in 2024/25 relating to the 2023/24 period.			(20,516)	
The WorkCover premium refund received in 2025/26, relating to premiums paid in 2024/25 following finalisation of actual 2024/25 wages, was lower than the equivalent refund received in 2024/25 relating to the 2023/24 period.			(16,130)	
Fuel Tax Credit Received recorded under Reimbursements in 2025/26 whereas it was recorded as a reduction of fuel expenses in 2024/25			45,973	
Reimbursement from the developer of the costs for the closure of Warren Road, Two Wells			21,643	
Performance bonus and surplus distribution from LGA Workers Compensation Scheme, Income Protection Fund, Assets Mutual Fund has been higher than prior year			36,470	
Reimbursement from the developer for water use on open space area during maintenance period			17,296	
TOTAL INCOME	**21,610,315**	**20,382,113**	**1,228,202**	**6**

Employee Costs	**7,748,456**	**6,996,418**	**(752,038)**	**(11)**
Employee costs increased by 11%, primarily due to the combined impact of the following factors: • A 3.5% salary increase for staff, effective from July 2025, in accordance with the Enterprise Agreement. • An increase in the employer superannuation contribution rate from 11.5% to 12%, effective from 1 July 2025. • The addition of two new positions during the 2025/26 financial year: Waste Administration Officer and Youth Development Officer. • Employee costs capitalised in 2025/26 were $171,154 lower than in 2024/25, resulting in a greater proportion of depot outside employee costs being recognised as an expense. • An increase in unused annual leave, long service leave, TOIL and RDO balances, from 30,145 hours at 30 June 2025 to 31,582 hours at 30 June 2026, resulting in higher employee leave provisions.			(752,038)	
Materials, Contracts and Other Expenses	**7,571,854**	**6,447,518**	**(1,124,336)**	**(17)**
Council incurred $343,476 in operating project expenditure in 2024/25, increasing to $911,288 in 2025/26.			(567,814)	
Diesel costs increased, mainly due to higher average diesel prices from February 2026 onwards			(96,224)	

Attachment 1

A $50,000 grant was provided to the Mallala Cricket Club during 2025/26. In addition, a $45,871 contribution was made from the Two Wells Community Fund (TWCF) in 2025/26, compared with no TWCF contribution in 2024/25.			(95,871)	
Costs were incurred during 2025/26 for salt damp treatment works at the Two Wells Library and Mallala Oval Grandstand.			(82,557)	
Solo Waste Collection and Disposal costs increased by $49,761, due to the combined impact of higher service costs and an increase in the number of services. This increase was fully offset by a corresponding increase in Waste Levy income.			(49,761)	
Public liability insurance costs increased by $18,670, while asset insurance costs increased by $17,731.			(36,401)	
Council's Regional Landscape Levy contribution increased in accordance with advice from the Northern and Yorke Landscape Board. This increase was fully offset by a corresponding increase in Regional Landscape Levy income.			(26,626)	
Legal expenditure increased during the year. A significant portion of these costs relates to litigation matters that are largely outside Council's control, where Council is required to participate as a party to proceedings. This includes multiple matters before the Environment, Resources and Development Court.			(24,217)	
External repairs to depot plant and fleet increased by $23,646, mainly due to the supply and installation of a new front axle on the dog trailer.			(23,646)	
Electricity costs increased, mainly due to the addition of new street lighting.			(22,152)	
Rubble usage for road maintenance increased compared with the previous financial year.			(15,985)	
Elected Member allowances increased compared with the previous year due to annual indexation.			(11,452)	
Cleaning costs increased by $5,429 for Council buildings and by $7,239 for public toilets.			(12,668)	
Mobile phone leasing costs decreased, mainly due to the expiry of the previous mobile phone lease contract.			21,981	
Costs associated with clearing illegal roadside dumping decreased during the 2025/26 financial year.			11,790	
Depreciation	**4,762,218**	**4,550,257**	**(211,961)**	**(5)**
Following the annual indexation of building, open space, transport, stormwater, and bridge assets as of 1 July 2025, the annual depreciation expense for these assets has increased. Additionally, the full-year depreciation impact of $9,469,506 in donated, new, and upgraded assets added during the 2024/25 financial year has further contributed to the rise in depreciation.			(211,960)	
Finance Costs	**496,445**	**554,779**	**58,334**	**11**
Interest paid on short-term cash advance (CAD) facilities from LGFA has been lower compared to prior year.			57,190	
The interest expense on the long-term debenture loan for the Mallala CWMS has reduced as a result of periodic repayments of the loan principal			1,144	
Net Loss - Equity Accounted Council Business	**149,119**	**109,224**	**(39,895)**	**(37)**
The Gawler River Floodplain Management Authority (GRFMA) recorded a total comprehensive income of -$588,806 in 2025/26, compared to -$429,591 in 2024/25. Council's share of GRFMA's operating result for 2025/26 was 25.33%.				
TOTAL EXPENSES	**20,728,091**	**18,658,196**	**(2,069,895)**	**(11)**

Attachment 1

Asset disposal & fair value adjustments	**(58,720)**	**(300,855)**	**242,135**	**80**
Amounts received for new/ upgraded assets	**551,215**	**1,507,611**	**(956,396)**	**(63**
Developer contributions totalled $574,284 in the 2024/25 financial year, whereas no developer contributions were received in 2025/26.			(574,284)	
Two milestone payments totalling $666,650 were received from the State Government in the 2024/25 financial year for the Two Wells Stormwater Levee project. In 2025/26, only one milestone payment, being the final payment, was invoiced, resulting in lower milestone payment revenue compared with the previous financial year.			(333,325)	
Private contributions for capital works totalled $61,448 in the 2024/25 financial year, whereas no developer contributions were received in 2025/26.			(61,448)	
Physical resources received free of charge	**194,500**	**5,173,146**	**(4,978,646)**	**(96)**
Donated assets received from developers totalled $5.173m in the 2024/25 financial year, compared with $0.194m in 2025/26. The decrease reflects the timing of asset handovers, with a significant value of donated assets received after 30 June 2026 and therefore will be recognised in 2026/27 financial year.			(4,978,646)	
Changes in revaluation surplus – IPP&E	**10,726,926**	**27,486,916**	**(16,759,990)**	**(61)**
The most recent five-yearly comprehensive condition assessment and revaluation of transport assets, including roads, footpaths, kerbing, car parks and lighting, was completed as at 1 July 2024, resulting in an increase in asset values of $27.487m in 2024/25. The subsequent desktop indexation undertaken as of 1 July 2025 resulted in a further increase in asset values of $10.727m for 2025/26.			(16,759,990)	
TOTAL COMPREHENSIVE INCOME	**12,296,144**	**35,590,735**	**(23,294,591)**	**(65)**

7.2 POLICY REVIEW - BUDGET MANAGEMENT POLICY

Record Number: **D26/50013**

Author: **Chief Financial Officer**

Authoriser: **Chief Executive Officer**

Attachments:
1. **Current - Budget Management Policy ⇩**
2. **New - Budget Management Procedure ⇩**

EXECUTIVE SUMMARY

- The purpose of this report is to provide the Audit and Risk Committee (the Committee) with an opportunity to review the proposed internal Budget Management Procedure (draft new Procedure), which is intended to replace the existing Budget Management Policy (the current Policy).
- Clauses 5 and 6 of the current Policy (**Attachment 1**) set out Council's key requirements for budget management.
- Clause 5 primarily outlines the reporting requirements for quarterly budget reviews and the annual review of the adopted budget. As these requirements are established under the *Local Government Act 1999* and associated regulations, a separate Council policy is not required to address them.
- Clause 6, which deals with approval of budget variations, has been incorporated into the draft new Procedure (**Attachment 2**). As a result, the current Policy no longer serves a distinct purpose.
- Accordingly, Council administration proposes to revoke the current Policy and implement the new Budget Management Procedure as an internal operational guide which provides direction to staff on managing budgets and approving budget variations.

RECOMMENDATION

"that the Audit & Risk Committee, having considered Item 7.2 – *Policy Review - Budget Management Policy*, dated 4 November 2026, notes the report and in doing so recommend to the Council that:

1. **Budget Management Policy (presented in Attachment 1) be revoked; and**
2. **the Budget Management Procedure (presented in Attachment 2) be implemented as an internal procedure, subject to following changes:**
   - **(a) ….**
   - **(b) …"**

BUDGET IMPACT

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

RISK ASSESSMENT

The proposed new Budget Management Procedure aims to address the ambiguities and inconsistencies in Council's budget management practices identified in the Independent Procurement Review undertaken by Morris Forensic, dated 27 May 2026, and promote a consistent and transparent approach to the management of public funds for Council Members, Council administration and the community.

DETAILED REPORT

Purpose

The purpose of this report is to provide the Audit and Risk Committee (the Committee) with an opportunity to review the proposed internal Budget Management Procedure (draft new Procedure), which is intended to replace the existing Budget Management Policy.

Background

Council administration developed a work plan to address the recommendations arising from the Independent Procurement Review undertaken by Morris Forensic, dated 27 May 2026 (the Review). The workplan was presented to the Committee for information at its meeting held on 12 August 2026.

Action two of the work plan was to review Council's existing Budget Management Policy (the current Policy) to address ambiguity and inconsistencies in its provisions and delegations.

Considering staff feedback and the recommendations arising from the Review, the draft new Procedure has been developed to improve the clarity, transparency, efficiency and regulatory compliance of Council's budget management practices.

Discussion

Clauses 5 and 6 of the current Policy establish Council's key policy positions regarding budget management, specifically:

- Clause 5 – Timing and Content of Budget Reporting to Council
- Clause 6 – Approval of Variations to the Budget

Clause 5 primarily outlines the reporting requirements for quarterly budget reviews and the annual review of the adopted budget. As these requirements are established under the *Local Government Act 1999* and associated regulations, a separate Council policy is not required to address them.

Clause 6, which deals with approval of budget variations, has been incorporated into the new Budget Management Procedure (**Attachment 2**). As a result, the current Policy (**Attachment 1**) no longer serves a distinct purpose.

Accordingly, Council administration proposes to revoke the current Policy and implement the new Budget Management Procedure as an internal operational guide which provides direction to staff on managing budgets and approving budget variations.

<u>Process undertaken to develop draft new Procedure</u>

As part of the review process, the Governance and Finance teams reviewed the current Policy and prepared a draft new Procedure, taking into consideration the feedback and recommendations arising from the Review.

The draft new Procedure was circulated to all staff through Council's Electronic Document and Records Management System, with track changes enabled to facilitate review and capture feedback.

Due to time constraints, the draft new Procedure was not presented to the Executive Management Team (EMT) for consideration at its monthly meeting. However, EMT members were asked to emphasise the importance of reviewing the document to their respective teams and encourage staff to provide feedback.

The following table compares the current Policy with the draft new Procedure and identifies where the relevant provisions of the current Policy have been incorporated into the draft new Procedure:

Budget Management Policy	Budget Management Procedure
5.1 Budget Reports Council must prepare and consider 3 budget reports within the following time frames: a. A "Quarterly Budget Update" at least twice, between 30 September and 31 May in the relevant financial year. b. A "Mid-Year Review" between 30 November and 15 March in the relevant financial year. c. A "Final Report" on results by no later than the 31 December in each year.	This is a regulatory requirement under Regulation 9 of the *Local Government (Financial Management) Regulations 2026* and, therefore, does not need to be adopted as a separate Council position. However, the draft new Procedure references Regulation 9 in section 3.17, under the definition of "Revised Budget". This is a regulatory requirement under Regulation 10 of the Regulations and, therefore, does not need to be adopted as a separate Council position.
6. Approval of variations to the budget	Covered under Clauses 12 of the Budget Management Procedure
6.1. Variances outside the scope of the annual budget	Covered under Clauses 11 of the Budget Management Procedure
6.2. Variations within the scope of the annual budget	Covered under Clauses 13 of the Budget Management Procedure
6.3. Carry forward	

Conclusion

The new draft Procedure has been developed in response to the recommendations arising from the Review and staff feedback, with the aim of improving the clarity, consistency and transparency of Council's budget management practices.

The Review identified that the reporting requirements outlined in Clause 5 of the current Budget Management Policy are already prescribed by legislation and do not require a separate Council policy position. The budget variation approval requirements contained in Clause 6 have been incorporated into the proposed Procedure, ensuring that the relevant provisions of the current Policy are retained in an operational document for staff guidance.

Accordingly, Council administration proposes that the Committee review the new draft Procedure and recommend that Council revoke the current Policy, with the new draft Procedure to be implemented as an internal operational guide for budget management and the approval of budget variations.

References

Legislation

Local Government Act 1999
Local Government (Financial Management) Regulations 2026

Council Policies/Plans

Budget Management Policy

Budget Management Policy

Adoption by Council:	27 May 2024
Resolution number:	2024/143
Current version:	1
Administered by:	Chief Finance Officer
Last review date:	2024
Next review date:	2026
Document number:	24/21449
Strategic outcomes:	Proactive Leadership

Related documents:	Annual Business Plan & Budget Long Term Financial Plan

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1. Purpose

The purpose of this policy is to provide the CEO with a framework to operate within for budget management.

2. Scope

This policy applies to the CEO and employees who may amend and report on Council's budget.

3. Definitions

3.1. ***Act*** means the *Local Government Act 1999*;
3.2. ***budget*** means Council's adopted annual budget that identifies and describes the resources required to fund Council's services and initiatives over the next 12 months;
3.3. **Capital Project** encompasses projects which renew, replace, upgrade or create new assets;
3.4. ***CEO*** means Chief Executive Officer of Council;
3.5. ***Council*** means Adelaide Plains Council;
3.6. ***employee*** means any person carrying our duties or performing tasks for and on behalf of Council, whether they are paid or unpaid, including staff, contractors, consultants, trainees, volunteers, students and any other person who has access to Council's electronic systems and services in a full-time, part-time or casual capacity;
3.7. **Model Financial Statements** is a recommended format for the presentation of the Annual Financial Statements for South Australian councils as approved by the Minister for Local Government annually; and
3.8. ***variations*** means a difference between the budgeted amount of expenses or revenues, and that actual cost.

4. Council's Core Values

Our approach to budget management is underpinned by Council's core values:

Honesty and Integrity	Innovative and Open-minded	Leadership and Diplomacy	Professionalism	Respect	Teamwork
Building trust and loyalty with the community and within Council.	Being proactive in continually improving our services.	By acting strategically and effectively managing our relationships.	Through commitment, quality and timeliness of work delivered.	For others, acting with humility and empathy.	Through unity, cooperation and support.

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5. Timing & content of budget reporting to Council

5.1. Budget reports[1]

Council must prepare and consider 3 budget reports within the following time frames:[2]

(a) A "Quarterly Budget Update" at least twice, between 30 September and 31 May in the relevant financial year.

(b) A "Mid-Year Review" between 30 November and 15 March in the relevant financial year.

(c) A "Final Report" on results by no later than the 31 December in each year.

6. Approval of variations to the budget

6.1. Variances outside the scope of the annual budget

6.1.1. Council approval must be sought and obtained before commitments are made that would result in activity outside of the budget limits.

6.1.2. In considering a request for a revision to its budget, Council will consider:

(a) the impact the approval would have on the achievement of the targets for financial indicators established in Council's original budget; and

(b) the capacity to increase other revenue or reduce other expenditure (either of a corresponding operating or capital nature as appropriate) to offset the variation and the merit of so doing.

6.2. Variations within the scope of the annual budget

6.2.1. Where circumstances so warrant (e.g. for reasons of urgent necessity) the CEO may authorise variations in activity that are within the scope of approved limits for budget items providing that variations made do not:

(a) In aggregate, exceed threshold value limits for that function/activity outlined in the budget;

(b) Materially impact on the quality, quantity, frequency, range or level of service previously provided for or implicitly intended in the original allocation; and

(c) Impact on any explicit proposals Council has included in its *Annual Business Plan* or has otherwise publicly committed to and accommodated in its budget.

6.2.2. Whenever such changes are made, the following budget update must include information from the CEO explaining the rationale for the decision.

6.2.3. Any projected over expenditure in excess of 5% for projects or activities with a budget of $150k or above must be reported to Council at the next Ordinary Council Meeting, together with revised estimates and scheduled timelines for the completion of the project

6.3. Carry forward

6.3.1. Funding approval for budgeted activity not completed at the end of any budget year is forfeited unless Council grants approval to carry over the activity and associated budget allocation.

6.3.2. Identified operating and capital projects that will not commence in the year they have been budgeted for will be:

[1] Presented in a manner consistent with the Model Financial Statements.

[2] As required under regulations 9(1)(a) and 9(1)(b) of the *Local Government (Financial Management) Regulations 2011*.

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(a) re-evaluated and, where warranted, included in the budget for the following year at the time of its adoption; and
(b) considered against other competing priorities in determining the budget content for the following year, rather than treated separately as 'carried forwards'.

6.3.3. Identified operating and capital projects that are committed or underway but not completed in the year will be:
(a) reviewed and the projects/activities considered for carrying forward as soon as practicable in the relevant financial year.

6.3.4. Any request for carrying forward activity will be clearly highlighted and will include:
(a) whether the scope of each activity item, and its associated funding quantum, is proposed to be varied from that previously approved and, if so, the reasons for such a variation; and
(b) any impact on the achievement of the targets for a financial indicator established in the Council's original budget for the current year will also be identified.

7. References

Local Government Act 1999
Local Government (Financial Management) Regulations 2011
LGA's Financial Sustainability Information Paper 25: Monitoring Council Budget Performance

8. Records management

All documents relating to this policy will be registered in Council's Record Management System and remain confidential where identified.[3]

9. Document review

This policy will be reviewed in accordance with Council's *Policy Review Schedule* to ensure legislative compliance and its continued relevance to Council's needs, activities and programs.

10. Further information

Public Access:	Members of the public may inspect this this policy (and any other related documents) free of charge at: Council's website: **www.apc.sa.gov.au;** or Council's Principal Office: **2a Wasleys Rd, Mallala SA 5502**. *A copy of this policy may be obtained on payment of a fee.*[4]
Queries:	Any queries in relation to this policy must be in writing to info@apc.sa.gov.au, marked: *Attention: Manager Governance*

[3] Refer to Council's ***Information Management Policy***.
[4] As outlined in Council's *Fees & Charges Schedule*.

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Procedure

Budget Management & Decision-Making Framework

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Budget Management Procedure

Approved by CEO:	TBC
Date of Approval:	TBC
Current version:	1
Administered by:	Chief Financial Officer
Last review date:	2026
Next review date:	2028
Document number:	D26/29123
Strategic outcomes:	Proactive Leadership

Related documents:	Long Term Financial Plan, Annual Business Plan & Budget Internal Financial Control Policy Delegations Register Limitations to Financial Sub-Delegations by Chief Executive Officer Purchasing Card Procedure

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1. Purpose

1.1. The purpose of this procedure is to provide operational guidance to employees to ensure Council's resources are used efficiently, transparently and in accordance with the approved budget.

1.2. The Council may not:

- delegate the power to adopt or revise an annual business plan or budget[1]; and
- power to approve expenditure of money on works, services or operations of the council not contained in a budget adopted by the council[2].

1.3. Therefore, budget approval and expenditure approval are separate requirements. An employee may have delegated authority to incur expenditure within an approved budget; however, a delegated authority to incur expenditure does not, of itself, confer authority to revise Council's adopted budget.

2. Scope

2.1. This procedure applies to planning, approval, monitoring and reporting of Council income and expenditure. It applies to:

- recurrent expenditure;
- capital expenditure;
- operating project expenditure;
- grant-funded activities;
- reallocations of approved budgets;
- variations to approved budgets; and
- activities included in Council's adopted Annual Business Plan.

3. Definitions

3.1. ***Act*** means the *Local Government Act 1999*;

3.2. ***adopted budget*** means the Council's annual budget adopted for the relevant financial year and incorporated into the Annual Business Plan adopted by Council;

3.3. ***approved budget*** means an expenditure that is covered by the adopted/revised budget and for which sufficient budget is available;

3.4. ***approved project scope*** means an expenditure that is consistent with the purpose, objectives and intended outcomes of an approved operating or capital project budget***;***

3.5. ***budget adjustments*** means moving budget within an already approved budget framework, where permitted;

3.6. ***budget owner*** means the employee responsible for monitoring and managing an approved budget, including expenditure, commitments, forecasts and reporting within their area of responsibility;

3.7. ***budget variance*** means difference between the budgeted amount of expenditure and the actual amount. A budget variance does not necessarily require a budget variation;

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[1] Section 44(3)(da) of the *Local Government Act 1999*
[2] Section 44(3)(e) of the *Local Government Act 1999*

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3.8. ***budget variation*** means an approved change to an adopted budget;
3.9. **capital project** means a project that renews, replaces, upgrades or creates a new Council asset;
3.10. ***CEO*** means Chief Executive Officer of Council;
3.11. ***Council*** means Adelaide Plains Council;
3.12. **Content Manager (CM)** means Council's Electronic Document and Records Management System;
3.13. ***employee*** means any person carrying out duties or performing tasks for and on behalf of Council, whether they are paid or unpaid, including staff, contractors, consultants, trainees, volunteers, students and any other person who has access to Council's electronic systems and services in a full-time, part-time or casual capacity;
3.14. ***operating project*** means a specific initiative, program, or activity delivered within a defined timeframe and funded through the operating budget. It is generally temporary, one-off, or non-recurring in nature, does not create or enhance a capital asset, and is often discretionary or strategic in purpose;
3.15. ***material*** means a financial or operational impact that, having regard to its value, nature, duration, risk or effect on Council's approved priorities, could reasonably influence Council's decision-making;
3.16. ***recurrent expenses*** are the ongoing, day-to-day costs incurred by Council to deliver normal services and maintain operations. These expenses are expected to occur regularly, are generally predictable, and continue from year to year;
3.17. ***revised budget*** means changes approved by the Council to the adopted budget as part of quarterly budget revision.[3]

4. Council's Core Values

Our approach to budget management is underpinned by Council's core values:

Honesty and Integrity	Innovative and Open-minded	Leadership and Diplomacy	Professionalism	Respect	Teamwork
Building trust and loyalty with the community and within Council.	Being proactive in continually improving our services.	By acting strategically and effectively managing our relationships.	Through commitment, quality and timeliness of work delivered.	For others, acting with humility and empathy.	Through unity, cooperation and support.

5. Guiding Principles

[3] Regulation 9 of the *Local Government (Financial Management) Regulations 2026*

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5.1. No Budget = No Commitment

5.1.1. Council employees must not commit expenditure unless:

(a) sufficient approved budget exists for the proposed expenditure;

(b) the funding source has been identified and is available;

(c) the proposed expenditure is within approved purpose and/or approved project scope;[4] and

(d) the employee has the appropriate delegations.[5]

5.2. Budget Ownership

5.2.1 Budget owners remain accountable for expenditure even when procurement or payment processing is undertaken by another team. (Refer to **Appendix 1** for the roles and responsibilities of the Council, budget owner and other employees).

5.3. Separation of Duties

5.3.1 No individual employee should undertake all of following activities:

(a) order goods/services;

(b) confirm the receipt of goods/services'

(c) approve procurement;

(d) approve invoice payment; and

(e) process payment.

5.4. Transparency

5.4.1 All decisions in relation to planning, approval, monitoring and reporting of Council income and expenditure must be documented and captured in CM and capable of independent review.

5.5. Early Escalation

5.5.1 Potential budget overruns must be identified and reported to the CEO via the Chief Financial Officer as soon as practicable.

6. Approved Budget and Budget Scope

6.1. Council approved budget has number of levels. For ordinary recurrent operations, the operating budget is presented and adopted through the Statement of Comprehensive Income at the following broad income and expenditure categories:

Recurrent Income

- Rates
- Statutory charges
- User charges
- Grants, subsidies and contributions – Operating
- Grants, subsidies and contributions – Capital
- Interest income
- Reimbursements
- Other income

[4] budget availability alone does not mean the expenditure is authorised

[5] Section 44 (delegations) of the Act.

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Recurrent Expenses

- Employee costs
- Materials, contracts and other expenses
- Depreciation
- Interest expenses
- Share of loss – joint ventures and associates

6.2. Council also separately approve the **Operating Project Program** and **Capital Project Program**, with an individual budget allocated to each approved project.

6.3. Statement of Comprehensive Income approved by Council provides the **authority for ordinary** recurrent expenditure, while the project program provides **specific authority** for the approved projects.

6.4. The budget approval and management framework comprises the following levels:

Budget layer	What Council approves	Primary budget control
Recurrent operations	Statement of Comprehensive Income (SCI)	Relevant SCI containing income and expense categories
Operating projects	Individual project budget	Individual project budget and scope
Capital projects	Individual project budget	Individual project budget and scope
Detailed Chart of Accounts (Refer 6.5 below)	Not applicable	Internal accounting and monitoring system for recurrent, operating & capital projects budget

6.5. The detailed Chart of Accounts is used to record, allocate and monitor the approved budget and actual transactions. It provides greater financial details through levels of Directorate, Work Order, Work Order Task, Resource Group and Resource levels.

6.6. The existence of an available balance in a particular Work Order, WO Task or Resource does not, by itself, constitute authority to incur expenditure outside the Council-approved budget or the approved scope of a specific project.

6.7. These detailed accounting levels support financial management and reporting but do not, of themselves, represent separate levels of budget approval by Council.

6.8. Where an employee is uncertain whether proposed expenditure is within the approved budget, advice should be obtained from Finance before the expenditure is committed.

7. How to Determine Whether a Budget Change Remains Within Council Approval?

7.1. Below examples generally represent changes in **how** or **when** an approved budget is spent, rather than changes to **what** Council has approved. The key considerations are whether:

- ✓ the overall approved budget increases;
- ✓ the purpose or objective of the project changes;
- ✓ the change creates a new commitment or project; or
- ✓ the change requires additional funding or a significant reallocation between unrelated projects.

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	Example	Approved Budget	Actual Change	Outcome	Assessment
1.	Reallocation within existing budget	Parks and garden maintenance budget: $500,000	Mowing costs decrease by $20,000, while tree maintenance costs increase by $20,000	Total budget remains unchanged at $500,000	Within scope – expenditure has been reallocated within the approved budget without increasing the overall budget
2.	Cost shift within a capital project	New road sealing project: $2.0m	Construction costs increase by $80,000, while design costs decrease by $80,000	Total project budget remains $2.0 million and the project objective is unchanged	Within scope – costs have shifted between components of the same approved project
3.	Timing adjustment	Building renewal/upgrade scheduled for May–June	Contractor availability delays the works until July	The project continues, with only the timing change.	Generally within scope – however, year-end accounting treatment may need to be considered depending on the progress of the project
4.	Grant-funded project	Project approved with partial grant funding	Grant funding is insufficient, but the shortfall can be offset through internal savings from other already-approved projects	Project proceeds without increasing the overall approved budget.	Potentially within scope – provided the funding reallocation is approved by the Council and does not change the approved purpose or scope of the project

8. Decision framework for budget owners

8.1. Before committing to expenditure, a budget owner should work through the following questions:

	Question	If Yes	If No
1.	Is the expenditure covered by the adopted budget?	Continue to Question 2	Stop & seek advice/approval
2.	Is sufficient budget available?	Continue	Stop & assess whether a budget variation is required
3.	For an operating or capital project, is it consistent with the approved project and its scope?	Continue	Stop & seek advice/approval
4.	Is the expenditure within the employee's financial and procurement delegation?	Continue	Obtain the required approval

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5. For recurrent expenditure, is it consistent with Council's ordinary services and the relevant approved SCI budget category?	Continue	Stop & seek advice/approval
6. Has all required procurement approval been obtained?	Continue	Obtain the required procurement approval

9. Practical Rule for budget owners

9.1. If the proposed change would cause Council to ask:

"*If we had known this when adopting the Annual Budget or revisions thereof, would our decision have been different?*"

9.2. If yes, the matter should be treated as potentially outside the approved budget scope and referred to the appropriate approval authority before expenditure is committed.

10. Budget Management Process

10.1. Budget Expenditure Process Flow Chart in **Appendix 2** provides a simple, practical overview of the key steps employees must follow before committing expenditure and approving payments.

10.2. It is intended as a quick-reference guide and should be read in conjunction with this procedure, the applicable financial delegations and sub-delegations, and Council's procurement requirements.

10.3. Where there is any inconsistency between the flow chart and the relevant policy, procedure or delegation, the approved policy, procedure or delegation takes precedence.

10.4. Quarterly Budget Monitoring

- Budget owners must review their budgets at least quarterly and more frequently where expenditure, project activity or emerging risks warrant closer monitoring. Minimum review requirement:
  - actual expenditure and revenue compared with the approved budget;
  - committed expenditure and outstanding purchase orders;
  - forecast expenditure and revenue for the remainder of the financial year;
  - expected year-end position;
  - significant or material variances;
  - changes in the timing or scope of projects and activities; and
  - any emerging risks that may affect the approved budget or Council's financial position.
- Budget owners must take appropriate corrective action where expenditure is forecast to exceed the approved budget or where a material adverse variance is identified.
- Variance escalation:
  - These thresholds determine the level of management review and escalation. They do not, of themselves, determine whether a formal budget variation or Council approval is required:

Variance at Workorder Level (ex. GST)*	Required Action

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Less than 5% or $1,000, whichever is higher	Monitor as part of normal budget management.
between 5% and 10% of the or between $1,000 and $10,000, whichever is higher	Budget Owner should investigate the variance and document the reason and expected year-end impact.
10% or more, or $25,000 or more, whichever is higher	Director review required, including consideration of corrective action and whether a budget variation is required.
Material** variance or forecast overspend	Escalate to the Chief Financial Officer and determine whether a formal budget variation or other approval is required before further expenditure is committed.

*Where more than one threshold applies, the higher level of review and escalation applies

** Refer clause 14 for material budget variances

10.5. Update Forecasting and Corrective Action

- Budget Owners must update forecasts where:
  - project delays occur;
  - costs increase;
  - grants change;
  - operational demand changes.
- Corrective actions:
  - defer expenditure;
  - reallocate approved funds;
  - seek budget amendment.

11. Budget Variations Within the Scope of the Annual Budget

Recurrent Budget

11.1. For ordinary recurrent operations, expenditure is considered to be within the approved budget where:

- ✓ where circumstances so warrant (e.g. for reasons of urgent necessity)
- ✓ the expenditure relates to the delivery of Council's existing services, programs and normal operations;
- ✓ the expenditure can reasonably be accommodated within the relevant Council-approved expense category[6] budget;
- ✓ sufficient budget is available within the relevant approved budget category;
- ✓ the expenditure is properly authorised under Council's delegations and other applicable policies and procedures;
- ✓ it doesn't materially impact on the quality, quantity, frequency, range or level of service previously provided; and

[6] Refer to 7.1 for income and expenditure categories

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- ✓ the expenditure doesn't represent a new service, material expansion of an existing service.

11.2. The detailed allocation of the recurrent budget across Work Orders, WO Tasks and Resources is primarily a management and accounting mechanism. Accordingly, an expenditure variance at a detailed Work Order, WO Task or Resource level does not necessarily constitute expenditure outside the approved budget where the expenditure remains within the relevant approved operating budget category and is otherwise permitted under this Procedure.

11.3. For example, Council may approve an overall operating budget for Materials, contracts and other expenses. The detailed budget may subsequently be allocated across numerous Work Orders and Resources, including contractors, materials, repairs and maintenance, professional services, legal expenses, IT software and licensing and other expenditure categories. The Chart of Accounts contains these detailed Resources.

11.4. Where the nature of expenditure remains consistent with Council's ordinary operations, movement between Work Orders or Resources may be permissible, subject to the requirements of this Procedure.

11.5. Detailed budget availability must not be used to authorise expenditure on a new or materially expanded activity that has not been approved through the appropriate budget or Council decision-making process.

Operating/Capital Projects

11.6. An approved operating/capital project is subject to more specific budget control. An expenditure is considered to be within the approved budget where it:

(a) relates directly to the project approved by Council;
(b) is necessary to deliver the approved project;
(c) is consistent with the approved project scope;
(d) remains within the approved project budget amount; and
(e) does not materially alter the scope, objectives or intended outcome of the project.

11.7. An available budget within a recurrent expense category does not automatically provide authority to commence a new operating/capital project.

11.8. Similarly, an underspend on one approved operating/capital project cannot automatically be used to commence or materially expand another project without the required approval from the Council.

11.9. An operating project budget allocation does not, by itself, authorise the commencement of a new capital project. Similarly, an available budget for one approved capital project does not automatically authorise expenditure on a different capital project.

11.10. Variation requests must include:

(a) reason;
(b) financial impact;
(c) offset funding; and
(d) operational impact.

11.11. Practical examples – within scope changes in approved budget

The examples in **Appendix 3** distinguish between whether a formal budget variation is required and whether additional approval is required under Council's financial delegations. A matter

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may be within the scope of the approved budget but still require additional approval where the financial impact, nature of the expenditure or applicable delegation requires it.

11.12. Whenever such changes are made, the next quarterly budget update[7] to the Council must include information from the CEO explaining the rationale for the decision.

12. Budget Variations Outside the Scope of the Annual Budget

12.1. A variation is generally outside scope where it changes Council approved budget or creates additional financial exposure. Characteristics of budget variations outside the scope are:

a) exceeds the applicable Council-approved budget without an approved budget variation;
b) relates to a new service, initiative or project that has not been approved;
c) materially expands or changes an existing scope, purpose or intended outcome or project beyond what was approved;
d) involves expenditure on an unapproved operating or capital project;
e) transfers funding from an approved project to another purpose in circumstances where the transfer is not permitted under this Procedure;
f) uses restricted grant or other externally provided funding for a purpose that is not permitted under the relevant funding conditions;
g) the funding source changes in a manner that requires approval; or
h) creates an ongoing financial commitment that has not been appropriately budgeted or approved.

12.2. Above characteristics essentially answer the practical question of '***What can management change without going back to Council***?'

12.3. Where a proposed expenditure is outside the adopted budget, the funds must not be committed until the required budget approval has been obtained from the Council. Please refer to the examples provided under **Appendix 4**

12.4. In considering a request for a revision to its budget, Council will consider:

a) the impact the approval would have on the achievement of the targets for financial indicators established in Council's approved budget; and
b) the capacity to increase other revenue or reduce other expenditure (either of a corresponding operating or capital nature as appropriate) to offset the variation and the merit of so doing.

12.5. Where expenditure remains within the adopted budget but requires an approval under Council's financial or procurement delegations, the relevant delegated approval must be obtained before the expenditure is committed.

13. Carry forward

13.1. Funding approval for budgeted activity not completed at the end of any budget year is forfeited unless Council grants approval to carry over the activity and associated budget allocation.

[7] regulation 9 of the Local Government (Financial Management) Regulations 2026

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13.2. Identified operating and capital projects that will not commence in the year they have been budgeted for will be:
   a) re-evaluated and, where warranted, included in the budget for the following year at the time of its adoption; and
   b) considered against other competing priorities in determining the budget content for the following year, rather than treated separately as 'carried forwards'.

13.3. Identified operating and capital projects that are committed or underway but not completed in the year will be reviewed and the projects/activities considered for carrying forward as soon as practicable in the relevant financial year.

13.4. Any request for carrying forward activity will be clearly highlighted and will include:
   a) whether the scope of each activity item, and its associated funding quantum, is proposed to be varied from that previously approved and, if so, the reasons for such a variation; and
   b) any impact on the achievement of the targets for a financial indicator established in the Council's original budget for the current year will also be identified.

14. Material Budget Variations and Council Approval

14.1. A budget variation is considered material for the purposes of obtaining Council approval where the proposed variation:
   (a) increases or decreases an approved recurrent budget by more than $50,000 or 10% of the approved budget at Workorder level, whichever is **lower**; or
   (b) increases or decreases an approved operating/capital budget by more than $50,000 or 10% of the approved budget at Workorder level, whichever is **lower**; or
   (c) involves expenditure that was not included in the adopted Annual Business Plan and Budget/revised budget; or
   (d) materially changes the scope, objectives, timing, service level or intended outcomes of a project or service approved by Council; or
   (e) creates a new ongoing operating commitment or materially increases an existing ongoing operating commitment; or
   (f) involves the use of restricted funds, reserves, grant funding or other externally restricted funding for a purpose other than that for which the funds were approved; or
   (g) has a material impact on Council's financial sustainability indicators, borrowing requirements, Long-Term Financial Plan or other key financial assumptions; or
   (h) involves a matter which, due to its nature, sensitivity or strategic significance, should appropriately be considered by Council regardless of the dollar value.

14.2. Budget variations below these thresholds may be approved under the applicable financial delegation, provided that the variation is within the scope and purpose of the approved Annual Business Plan and Budget and does not trigger any of the qualitative criteria above.

14.3. All approved budget variations are to be reported through the next scheduled Budget Review or financial performance report, including the amount, funding source, reason for the variation and impact on the forecast end-of-year financial position.

15. Retrospective Commitments

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Employees must not obtain goods or services, instruct a supplier to commence work, or otherwise commit Council expenditure before the required budget, procurement and financial approvals have been obtained. Where retrospective commitment nevertheless occurs, the responsible manager must:

- ✓ immediately notify their Director and Chief Financial Officer;
- ✓ document the circumstances and reason;
- ✓ identify any control failure;
- ✓ ensure the expenditure is subject to the required procurement and financial review; and
- ✓ take corrective action to prevent recurrence.

16. Contract Variations

16.1. Contract variations must not be approved solely because sufficient budget remains available. Before approving a contract variation, the responsible employee must confirm:
- ✓ the variation is within the approved project/service scope;
- ✓ the variation is permitted under the contract;
- ✓ sufficient budget is available;
- ✓ the variation complies with Council's Procurement Policy;
- ✓ the required financial delegation has been obtained; and
- ✓ the cumulative value of the original contract and variations has been considered.

16.2. Budget availability is only one of the matters that must be considered when assessing a contract variation

17. References

Local Government Act 1999
Local Government (Financial Management) Regulations 2026
LGA's Financial Sustainability Information Paper 25: Monitoring Council Budget Performance

Appendix 1: Roles and Responsibilities

Position	Responsibilities
Council	• Adopt Annual Business Plan and Budget. • Approve quarterly budget variations requiring Council approval. • Adopt Long Term Financial Plan.
CEO	• Overall accountability for budget management.
Chief Financial Officer	• Approve expenditure within approved financial delegations. • Oversee Council's budget management framework. • Provide financial advice to the CEO and Council. • Coordinate budget monitoring and amendments. • Monitor overall financial performance and risks. • Maintain appropriate financial controls.
Directors	• Oversee expenditure within their areas of responsibility. • Ensure managers monitor budgets. • Approve expenditure within delegated authority. • Escalate significant financial risks.

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Budget Owners	• Monitor budgets continuously. • Authorise expenditure only where approved budget exists. • Approve invoices only after confirming that goods or services have been received, the procurement complies with Council's Procurement Policy and/or sufficient budget is available.
Finance Team	• Provide advice to Budget Owners on budget availability, forecasting, budget variations and financial reporting. • Maintain internal financial controls. • Prepare quarterly budget monitoring reports for matters requiring Council oversight or decision. • Coordinate budget amendments.
Employees	• Obtain approval before expenditure. • Follow procurement and purchasing requirements.

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Appendix 2: Expenditure Process

PROPOSED EXPENDITURE

DECISION	NO	YES
1. Is there an approved budget?	STOP – Don't commit. Seek clarification / approval.	Proceed to budget purpose and availability check.

⬇

DECISION	NO	YES
Is the expenditure within the relevant approved budget category or approved project scope?	STOP – Seek clarification / approval.	Proceed to procurement check if sufficient budget available?

⬇

DECISION	NO	YES
2. Is procurement approval required?	Proceed to Purchase Order (PO) check.	Obtain the required procurement approval[8].

⬇

DECISION	NO	YES
3. Is a PO required?	Proceed under the applicable exemption[9].	Raise PO before goods/services commence.

⬇

GOODS / SERVICES RECEIVED

⬇

4. CERTIFY THE INVOICE

Before approving payment, confirm:

✓ Goods/services have been received
✓ Price/rates agree with the contract or approved quotation
✓ Expenditure is coded correctly
✓ Sufficient budget remains available

⬇

APPROVE PAYMENT

⬇

RECORD AND RETAIN SUPPORTING EVIDENCE

KEY REMINDER

Having an approved budget does not give an employee authority to spend the money. Budget availability confirms that funds have been provided for the purpose; the applicable financial delegation and procurement requirements must also be satisfied before expenditure is committed.

[8] Refer to Limitations to Financial Sub-Delegations by Chief Executive Officer available of staff intranet
[9] Refer to Purchase Order Procedure (D23/22738)

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Appendix 3: Within scope changes in approved budget

Example	Assessment	Explanation
1. LGRS risk incentive funding to purchase height-adjustable workstations	Generally within approved budget	Within scope, provided the funding is approved/available for that purpose and any conditions attached to the funding are satisfied
2. Moving costs between contractor and employee costs	Generally within scope	May be within scope where the approved service/project outcome is unchanged and the reallocation is permitted under the relevant delegation.
3. Applying for 100% grant funding	Generally within scope	Within scope where the underlying activity has already been approved and the grant funding is permitted to fund that activity
4. Applying for 50% grant funding	May require variation	If create an additional Council funding requirement.
5. New software purchase, e.g. corporate AI tool	Depends	No variation if the purchase is within an existing approved software/IT budget and purpose; otherwise a variation may be required.
6. Tax payable exceeds the budget, e.g. FBT	Budget variance – additional expenditure	An unavoidable statutory or tax liability does not necessarily represent a change in the approved purpose, although the additional cost must be monitored and managed. (a budget variance doesn't necessarily mean a budget variation is required)
7. Legal fees exceed the budget due to the uncertain nature of legal costs	Generally budget variance	Where the legal matter was within the approved purpose, additional costs may be managed within delegation, subject to monitoring and available funding. It becomes a budget variation (and therefore Council approval) when the approved budget itself needs to be changed due to new legal matters
8. New training program available to staff/EMs	Depends	No variation where it is within the approved training budget and purpose; otherwise a variation may be required.
9. More Committee meetings than budgeted, resulting in higher sitting fees	Generally within approved budget scope	Where additional meetings are authorised and the expenditure remains within the relevant delegation, the additional sitting fees may be managed as a budget variance.
10. Second newspaper advertisement for a special Council meeting	Generally within approved budget scope	Where the additional advertisement is necessary to meet legislative or procedural requirements and relates to an approved activity.
11. Tender/contract price is higher than the budget	Depends	The contract should not be awarded unless the additional cost is within the applicable financial

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		delegation and funding is available, or the required budget variation is approved.
12. Consultant charges more due to Council-requested variations or delays	Depends	Additional costs must be assessed against the approved scope, available budget and applicable financial delegation before the variation is authorised.
13. Transfer of funds between Work Orders, resources or activities	Depends	Permitted where the transfer remains within the approved purpose and is authorised under Council's financial delegations.
14. CPI-related increase exceeds the budget assumption, e.g. kerbside waste collection charges	No	Generally no budget variation required, provided the underlying service remains within the adopted budget framework, funding is available and the expenditure is properly authorised.
15. Engagement of A&R Committee Chair to assist with budget deliberations	Depends	No variation where the engagement is within an existing approved governance/committee budget and appropriate approval has been obtained.
16. Allocation of Telstra-earned funds to purchase a replacement mobile phone	Yes / within scope	Where the funds are available for this purpose and the purchase is within the relevant delegation and approved operational requirements
17. Civica end-of-year discount for prepaid professional services support	Depends	No variation where the expenditure relates to an existing approved service and sufficient budget is available; otherwise approval may be required.
18. Expenses incurred under Section 93 of the Public Health Act	Generally within approved budget scope	Expenses incurred are 100% reimbursed by the property owner, most probably over several years. Net financial impact on the Council is zero

Note: The examples above are provided as practical guidance only. Whether a budget variation or additional approval is required must be determined having regard to the approved budget purpose, the financial impact, the source of funding, the nature of the proposed expenditure, Council's financial and procurement delegations, and whether the proposed change materially alters the approved service, project or outcome.

Where there is uncertainty, the matter must be referred to the Chief Financial Officer before expenditure is committed.

* Refer to Clause 14 for material budget variations.

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Appendix 4: Examples of expenditure that is outside the adopted budget

Example	Approved	Proposed Variation	Assessment	Reason
1. New project not budgeted	Budget was not approved for TW oval lighting	Add a new lighting project costing $100,000	Outside scope – Council approval required	Council did not approve this activity in the adopted budget
2. Material cost escalation	TW Levee construction: $2,150,000	Estimated cost increases to $2,500,000	Outside scope – Council approval required	Additional funding of $350,000 is required
3. Scope expansion	Replace the kitchen at a community centre	Expand the project to include a full building refurbishment	Outside scope – Council approval required	The proposed works go beyond the outcome originally approved by Council
4. New ongoing staffing cost	Tem./labour hire budget was approved.	Create a new permanent staff position.	Outside scope – Council approval required	Creates a new ongoing staffing/ financial commitment
5. Annual rise & falls results in material cost increases for a contract	Kerbside Waste Collection Budget	Actual rise & fall is higher than budgeted	Outside scope – Council approval required	Additional funding is required.

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7.3 POLICY REVIEW - PROCUREMENT POLICY

Record Number: **D26/50190**

Author: **Accountant**

Authoriser: **Chief Financial Officer**

Attachments:
1. **Current - Procurement Policy ⇩**
2. **Draft - Procurement Policy - Markup Version ⇩**
3. **Draft - Procurement Procedure ⇩**

EXECUTIVE SUMMARY

- The purpose of this report is to provide the Audit and Risk Committee (the Committee) with an opportunity to review the draft Procurement Policy (the draft Policy) (**Attachment 2**) and make recommendations to Council for its consideration and adoption.
- Council regularly reviews its policies to ensure they remain relevant and in line with current legislation and best practise. Several amendments have been proposed to the draft Policy, with details provided in the discussion section of this report.
- It is for the Committee to consider whether it wishes to recommend any further changes for consideration by Council.

RECOMMENDATION

"that the Audit & Risk Committee, having considered Item 7.3 – *Policy Review - Procurement Policy*, dated 4 November 2026, notes the report and recommends to that Council:

1. **Revokes the current Procurement Policy (presented in Attachment 1 to this report); and**
2. **adopts the Procurement Policy (presented in Attachment 2 to this report) , subject to following changes:**
   - **(a) …**
   - **(b) …; and**
3. **in doing so in exercise of the power contained in section 44(1) of the Local Government Act 1999 delegates to the Chief Executive Officer (and any person appointed in that position) to make procurement decisions to an unlimited value (within the annual budget or long term financial plan) or where:**
   - **(a) The procurement is a purchasing Cooperative Contractual Arrangement (e.g., LGA Procurement, Procurement Australia);**
   - **(b) It relates to Energy procurement; and**
   - **(c) Expenditure authorisation is needed for service charges relating to Government levies, SA Water, Electricity or insurance premiums.**
4. **Such powers and functions may be further delegated by the Chief Executive Officer to an officer or officers of the Council (including any person appointed to act in any such position) as the Chief Executive Officer sees fit subject to the conditions or limitations indicated in paragraph 2 above."**

BUDGET IMPACT

Estimated Cost: Nil

Future ongoing operating costs: Nil

Is this Budgeted? Not applicable

RISK ASSESSMENT

One of the key objectives of the Procurement Policy is to ensure consistency, transparency and accountability in how Council funds are spent.

The proposed amendments aim to improve the efficiency, transparency and practicality of day-to-day procurement activities while ensuring alignment with industry best practices and relevant regulatory requirements.

Adopting the draft Policy will also help Council manage procurement-related risks by establishing clear requirements and controls for individual procurement activities.

DETAILED REPORT

Purpose

The purpose of this report is to provide the Audit and Risk Committee (the Committee) with an opportunity to review the draft Procurement Policy (the draft Policy) (**Attachment 2**) and make recommendations to Council for its consideration and adoption.

Background

Council administration developed a workplan to address the recommendations arising from the Independent Procurement Review undertaken by Morris Forensic, dated 27 May 2026 (the Review). The workplan was presented to the Audit and Risk Committee for information at its meeting held on 12 August 2026.

Actions three and four of the work plan involved reviewing Council's Procurement Policy and Procurement Procedure to address ambiguity and inconsistencies.

Council's current Procurement Policy (**Attachment 1**) was last reviewed in November 2024 and is due for review. The review also considers the recommendations of the Review, which identified opportunities to improve the clarity and effectiveness of the Policy and Procedure.

Taking into account staff feedback and the Review's recommendations, the draft Policy has been revised to improve efficiency, strengthen transparency and clarify procurement requirements.

Discussion

Process undertaken to review current Policy

As part of the policy review process, the Governance and Finance departments reviewed the draft Policy, taking into consideration the feedback and recommendations arising from the Review. The draft Policy was then circulated to all relevant staff through Council's Electronic Document and Records Management System, with track changes enabled to facilitate review and capture feedback.

Following consideration of staff feedback, Finance and Governance staff undertook a further review to ensure legislative compliance and consistency with Council's existing policies and procedures.

The revised policy was subsequently presented to the Executive Management Team (EMT) for consideration at its monthly meeting. Following EMT endorsement, the draft policy was included in the Committee agenda for consideration.

As the Review also made recommendations regarding Council's internal Procurement Procedure, the procedure also underwent the same review process at the same time. The draft Procurement Procedure is included in **Attachment 3** for the Committee's information & feedback.

Staff provided minimal feedback, indicating that the existing Procurement Policy and Procedure have generally been effective. This is also reflected in the reduction in procurement-related recommendations made by external auditors over the past five years. Nevertheless, as highlighted by the Review, there remains scope for continuous improvement to strengthen Council's procurement practices and internal controls.

Proposed changes to the current Procurement Policy

In addition to incorporating minor administrative/formatting changes, a summary of the more notable changes is as follows:

- The scope has been extended to include projects and the proposed new Project Management Policy, which is intended to replace the existing Prudential Management Policy.
- Definition on 'cumulative send' has been removed as it is covered under Schedule 1.
- New definitions have been added for the terms 'Project' and 'Whole-of-Life Cost'.
- Section 5 - The headings 'Primary Principles' have been replaced with the words 'Procurement principles', noting that Council must (as opposed to will) follow these principals.
- Section 6 - The heading 'General Principles' has been removed, and the three principles previously listed under this heading have been incorporated into the 'Procurement Principles' section. However, under the revised policy, Council will continue to have regard to these three principles (as opposed to must).
- The principle of "within budget" has been added to reinforce the requirement that expenditure must remain within approved budget allocations.
- Clause 7.3 - Value of Purchase: Removed, as this is already addressed in Schedule 1 – Procurement Matrix of the current Policy. For consistency, the term 'Value of Purchase' has also been replaced with 'Value of Procurement'.
- Clause 7.4 - 'Acquisition Plan': Removed, as this is already addressed in the Procurement Procedure provided in **Attachment 3**.
- Section 8 - Examples of circumstances in which the CEO may waive the application of the Procurement Policy have been moved to the Procurement Procedure, as these examples are procedural in nature.
- Section 10 - Removal of the delegation section as this will be incorporated into Council's delegation framework.
- Schedule 1 - The Procurement Matrix has been updated to clarify that the required procurement method is determined by the level of risk associated with the procurement.

Proposed changes to the current Internal Procurement Procedure

In addition to incorporating minor administrative/formatting changes, a summary of the more notable changes is as follows:

- A new definition has been added for the term 'Approved Budget' to ensure consistency with the proposed new Budget Management Procedure.
- The summary on page 3 has been removed and is referenced under each procurement threshold to eliminate duplication, as the relevant information is already included in the Procurement Policy.
- A conflict-of-interest declaration requirement has been introduced for evaluators undertaking procurement activities at the relevant procurement thresholds.
- Steps 1 and 2 have been updated to highlight the required risk assessments and procurement plans, including the need to detail approved budget information.
- A new 'Council Consideration' section has been added to assist staff in determining whether a procurement requires consideration by Council.

- Updated the 'Risk Rating Questionnaire' to include recommendations made from the LGRS.
- The Risk Rating Matrix has been removed to avoid duplication, as the relevant information is already addressed in Schedule 1 of the Procurement Policy and the Risk Rating Questionnaire in the Procurement Procedure.
- Limitations to Financial Sub-Delegations has been added as an appendix to the procedure.

It is also noted that the existing Risk Rating Questionnaire will need to be updated in the future as Council implements its Risk Management Framework across its operations, including operational risk management.

Conclusion

The review of Council's Procurement Policy and Procurement Procedure has been undertaken in response to the recommendations arising from the Review, together with staff feedback and the need to maintain consistency with Council's legislative and governance requirements.

The proposed amendments aim to clarify procurement requirements, reduce duplication, strengthen transparency and internal controls, and improve the practical application of Council's procurement framework. The draft Procurement Procedure also incorporates additional guidance and controls to support staff in undertaking procurement activities consistently and in accordance with the draft Policy.

The Committee is invited to review the draft Policy and provide recommendations to Council for consideration and adoption. The draft Procurement Procedure is also provided for the Committee's information and feedback.

References

Legislation

Local Government Act 1999
Caretaker Policy
Credit Card Policy
Prudential Management Policy
Fraud, Corruption, Misconduct & Maladministration Policy

Council Policies/Plans

Audit Committee Annual Works Program 2026-2027

Budget Management Policy

Adoption by Council:	27 May 2024
Resolution number:	2024/143
Current version:	1
Administered by:	Chief Finance Officer
Last review date:	2024
Next review date:	2026
Document number:	24/21449
Strategic outcomes:	Proactive Leadership

Related documents:	Annual Business Plan & Budget Long Term Financial Plan

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9. Document review 4
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1. Purpose

The purpose of this policy is to provide the CEO with a framework to operate within for budget management.

2. Scope

This policy applies to the CEO and employees who may amend and report on Council's budget.

3. Definitions

3.1. ***Act*** means the *Local Government Act 1999*;
3.2. ***budget*** means Council's adopted annual budget that identifies and describes the resources required to fund Council's services and initiatives over the next 12 months;
3.3. **Capital Project** encompasses projects which renew, replace, upgrade or create new assets;
3.4. ***CEO*** means Chief Executive Officer of Council;
3.5. ***Council*** means Adelaide Plains Council;
3.6. ***employee*** means any person carrying our duties or performing tasks for and on behalf of Council, whether they are paid or unpaid, including staff, contractors, consultants, trainees, volunteers, students and any other person who has access to Council's electronic systems and services in a full-time, part-time or casual capacity;
3.7. **Model Financial Statements** is a recommended format for the presentation of the Annual Financial Statements for South Australian councils as approved by the Minister for Local Government annually; and
3.8. ***variations*** means a difference between the budgeted amount of expenses or revenues, and that actual cost.

4. Council's Core Values

Our approach to budget management is underpinned by Council's core values:

Honesty and Integrity	Innovative and Open-minded	Leadership and Diplomacy	Professionalism	Respect	Teamwork
Building trust and loyalty with the community and within Council.	Being proactive in continually improving our services.	By acting strategically and effectively managing our relationships.	Through commitment, quality and timeliness of work delivered.	For others, acting with humility and empathy.	Through unity, cooperation and support.

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5. Timing & content of budget reporting to Council

5.1. Budget reports[1]

Council must prepare and consider 3 budget reports within the following time frames:[2]

(a) A "Quarterly Budget Update" at least twice, between 30 September and 31 May in the relevant financial year.

(b) A "Mid-Year Review" between 30 November and 15 March in the relevant financial year.

(c) A "Final Report" on results by no later than the 31 December in each year.

6. Approval of variations to the budget

6.1. Variances outside the scope of the annual budget

6.1.1. Council approval must be sought and obtained before commitments are made that would result in activity outside of the budget limits.

6.1.2. In considering a request for a revision to its budget, Council will consider:

(a) the impact the approval would have on the achievement of the targets for financial indicators established in Council's original budget; and

(b) the capacity to increase other revenue or reduce other expenditure (either of a corresponding operating or capital nature as appropriate) to offset the variation and the merit of so doing.

6.2. Variations within the scope of the annual budget

6.2.1. Where circumstances so warrant (e.g. for reasons of urgent necessity) the CEO may authorise variations in activity that are within the scope of approved limits for budget items providing that variations made do not:

(a) In aggregate, exceed threshold value limits for that function/activity outlined in the budget;

(b) Materially impact on the quality, quantity, frequency, range or level of service previously provided for or implicitly intended in the original allocation; and

(c) Impact on any explicit proposals Council has included in its *Annual Business Plan* or has otherwise publicly committed to and accommodated in its budget.

6.2.2. Whenever such changes are made, the following budget update must include information from the CEO explaining the rationale for the decision.

6.2.3. Any projected over expenditure in excess of 5% for projects or activities with a budget of $150k or above must be reported to Council at the next Ordinary Council Meeting, together with revised estimates and scheduled timelines for the completion of the project

6.3. Carry forward

6.3.1. Funding approval for budgeted activity not completed at the end of any budget year is forfeited unless Council grants approval to carry over the activity and associated budget allocation.

6.3.2. Identified operating and capital projects that will not commence in the year they have been budgeted for will be:

[1] Presented in a manner consistent with the Model Financial Statements.

[2] As required under regulations 9(1)(a) and 9(1)(b) of the *Local Government (Financial Management) Regulations 2011*.

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(a) re-evaluated and, where warranted, included in the budget for the following year at the time of its adoption; and
(b) considered against other competing priorities in determining the budget content for the following year, rather than treated separately as 'carried forwards'.

6.3.3. Identified operating and capital projects that are committed or underway but not completed in the year will be:
(a) reviewed and the projects/activities considered for carrying forward as soon as practicable in the relevant financial year.

6.3.4. Any request for carrying forward activity will be clearly highlighted and will include:
(a) whether the scope of each activity item, and its associated funding quantum, is proposed to be varied from that previously approved and, if so, the reasons for such a variation; and
(b) any impact on the achievement of the targets for a financial indicator established in the Council's original budget for the current year will also be identified.

7. References

Local Government Act 1999
Local Government (Financial Management) Regulations 2011
LGA's Financial Sustainability Information Paper 25: Monitoring Council Budget Performance

8. Records management

All documents relating to this policy will be registered in Council's Record Management System and remain confidential where identified.[3]

9. Document review

This policy will be reviewed in accordance with Council's *Policy Review Schedule* to ensure legislative compliance and its continued relevance to Council's needs, activities and programs.

10. Further information

Public Access:	Members of the public may inspect this this policy (and any other related documents) free of charge at: Council's website: **www.apc.sa.gov.au;** or Council's Principal Office: **2a Wasleys Rd, Mallala SA 5502**. *A copy of this policy may be obtained on payment of a fee.*[4]
Queries:	Any queries in relation to this policy must be in writing to info@apc.sa.gov.au, marked: *Attention: Manager Governance*

[3] Refer to Council's ***Information Management Policy***.
[4] As outlined in Council's *Fees & Charges Schedule*.

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Procurement Policy

As required by section 49 of the Act.

Adoption by Council:	~~25 November 2024~~ TBC
Resolution number:	~~2024/409~~TBC
Current version:	2~~1~~
Administered by:	Chief Financial Officer
Last review date:	~~2024~~2026
Next review date:	~~2026~~2028
Document number:	D26/40647
Strategic outcomes:	~~Strategic and sustainable financial management~~Proactive Leadership
Related documents:	Caretaker Policy Credit Card Policy Fraud, Corruption, Misconduct & Maladministration Policy ~~Prudential Management~~Project Management Policy Budget Management Procedure

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1. Purpose

1.1. The purpose of this policy is to comply with Council's legislative requirements,[1] and provide a framework to ensure ~~achieve~~ best practice principles are applied in the procurement practices of Council.

~~1.1.~~1.2. This~~e~~ policy has also been developed to ensure expenditure is undertaken in a manner that is consistent with Council's strategic management plans.[2] ~~provide clear direction and ensure consistency with Council's strategic, corporate and financial directions.~~

2. Scope

2.1. This policy applies to all expenditure-related procurement activities associated with the acquisition of goods or services of any value, and applies to anyone who undertakes or i~~n~~s involved in procurement on behalf of Council.

2.2. This policy does not apply to:

(a) n~~N~~on-procurement expenditure or revenue such as sponsorships, grants from ~~the~~ Council, funding from ~~the~~ Council, funding agreements, donations, and employment agreements;

(b) r~~R~~eal property acquisitions of land, buildings or structures;

(c) t~~T~~he disposal of land and other assets;[3] or

(d) p~~P~~rocurement processes during ~~the~~ Council C~~c~~aretaker period.[4]

2.3. Where procurement relates to a project, regard must be had to Council's Project Management Policy.

3. Definitions

3.1. ***Act*** means the *Local Government Act 1999*;

3.2. ***acquisition plan*** is a document that outlines the procurement methodology and sourcing strategy to be undertaken in a proposed procurement;

3.3. ***contract management*** means the management of Supplier's performance against the contract including the key performance indicators deliverables stipulated in the contract;

~~3.3.~~3.4. ***Committee*** means Audit and Risk Committee of Council established under section 41 of the Act;

~~3.4.~~3.5. ***Council*** means Adelaide Plains Council;

~~3.5. ***cumulative spend*** means the estimated value of the total proposed purchase(s), including any agreement options, extensions and renewals (exclusive of GST), and potential cumulative value of the goods or services supplied over a period of time i.e. 12 months against a supplier and contractor.~~

3.6. ***direct purchase*** is a procurement activity in which goods, services or works are directly sourced from a single supplier;

3.7. ***Electronic Document and Records Management System (EDRMS)*** means a system used to manage records across Council;

[1] Section 49 of the Act.
[2] As described in the Act (see Chapter 8 Part 1)
[3] Refer to Council's ***Disposal of Land & Other Assets Policy*** for more information.
[4] Refer to Council's ***Caretaker Policy*** for more information.

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3.8. ***emergency situation*** is a situation where Council is required to remedy or make good damage incurred to Council property from a natural or man-made incident. The Chief Executive Officer has the authority to act in an Emergency Situation: goods and services in these instances may be purchased from a supplier or contractor without reference to the financial limitations provided in this Policy;

3.9. ***employee*** means any person carrying our duties or performing tasks for and on behalf of Council, whether they are paid or unpaid, including staff, contractors, consultants, trainees, volunteers, students and any other person who has access to Council's electronic systems and services in a full-time, part-time or casual capacity;

3.10. ***goods and services*** means goods, services and works procured externally by the Council;

3.11. ***GST*** means the goods and services tax[5]

3.12. ***local supplier*** is a supplier or contractor who is beneficially owned by persons who are residents or ratepayers of the Council, or has its principal business within the Council area, or a business that substantially employs persons who are residents or ratepayers;

3.13. ***procurement*** is the whole process of acquisition of goods, services or works whether by tender, quote, expression of interest or any other similar process. The procurement continuum spans the whole life cycle from initial concept, contracting and contract management through to the end of a contract, cessation of the supply and the whole of life considerations of an asset;

3.14. **Project** – is as defined in section 4(1) of the Act, for clarity a project is a fixed term endeavour with a defined beginning and end ;

~~3.14.~~3.15. ***supplier*** is an external person or entity providing, or offering to provide, goods or services to the Council;

3.16. ***value of procurement*** means the value calculated across all elements of the procurement process including any agreement options, extensions, renewals, and contingencies (exclusive of GST) and should be considered in the planning phase of the project.

~~3.15.~~3.17. ***Whole of life cost*** means the total cost of ownership including, purchase, operating costs & disposal costs over its useful life

4. Our Core Values

Our approach to procurement is underpinned by Council's core values:

Honesty and Integrity	Innovative and Open-minded	Leadership and Diplomacy	Professionalism	Respect	Teamwork
Building trust and loyalty with the community and within Council.	Being proactive in continually improving our services.	By acting strategically and effectively managing our relationships.	Through commitment, quality and timeliness of work delivered.	For others, acting with humility and empathy.	Through unity, cooperation and support.

5. ~~Primary~~ Procurement principles

[5] As defined in *A New Tax System (Goods and Services Tax)* Act 1999 (Cth)

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When acquiring goods and services, Council must ~~will~~ have regard to the following principles in its acquisition of goods and services:

5.1. Open & ~~F~~fair ~~C~~competition

(a) ~~To ensure open, fair and effective competition~~ by providing suppliers with appropriate access to Council's procurement opportunities. This includes feedback to unsuccessful participants at the conclusion of the procurement process.

5.2. Value for ~~M~~money

(a) ~~T~~this is not restricted to price alone. An assessment of value for money must include, where possible, consideration of:

- the contribution of Council's long term plan and strategic direction;
- any relevant direct and indirect benefits to Council, both tangible and intangible;
- efficiency and effectiveness of the proposed procurement;
- the performance history, quality, scope of services and support of each prospective supplier;
- fitness for purpose;
- whole of life costs;
- Councils internal administration costs;
- technical compliance issues;
- risk exposure; and
- the value of any added environmental benefits.

5.3. Probity, ~~A~~accountability and ~~T~~transparency

(a) ~~T~~to ensure that responsibilities are clearly defined~~,~~ and ~~that~~ decisions are made in an open and transparent manner. This includes ensuring appropriate records are kept of the procurement process in Council's EDRMS.

5.4. Ethical ~~B~~behavior and ~~F~~fair ~~D~~dealing

(a) ~~T~~to behave in a professional, ethical and impartial manner, act responsibly and exercise sound judgement by observing the highest standards of integrity, probity and professional conduct.[6]

5.5. Identification and ~~M~~management of ~~R~~risk

(a) ~~T~~to ensure appropriate risk management practices and procedures are in place[7] for purchasing activities including risk identification, assessment and implementation of controls.[8]

~~Consideration should be given to the following risks:~~

- ~~financial;~~
- ~~supply;~~
- ~~business/supplier;~~
- ~~legal;~~
- ~~reputational;~~
- ~~probity;~~
- ~~work health and safety;~~

[6] Section 49 of the Act.

[7] Consideration should be given to financial, supply, business/supplier, legal, reputational, probity, work, health and safety, environmental and political & sensitivity risks

[8] In line with Council's ***Risk Management Policy*** and the *Work Health Safety Act 2010*.

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- ~~environmental; and~~
- ~~political and sensitive risks.~~

5.6. Within budget

(a) funding allocations are included in the approved budget in accordance with Council's adopted Annual Business Plan and Budget and Long-Term Financial Plan, which identify and describe the resources required to fund Council's services, programs and initiatives.

Council will also have regard to the following principles:

~~6. General principles~~

~~6.1.~~5.7. Environmental ~~S~~sustainability

(a) ~~To~~ to promote and adopt purchasing practices that conserve resources, save energy, ~~minimize~~ minimise waste, protect the environment and are generally consistent with principles of ecological sustainability, to the greatest extent possible. This includes promoting the use of products containing recycled content where applicable.

~~6.2.~~5.8. Local ~~E~~economic ~~B~~benefit

(a) ~~T~~to give preference to local suppliers, where appropriate and when all other commercial considerations are equal (e.g. capability, capacity and competitiveness). To support the development of local industry and maximi~~z~~se the skills and employment opportunities available in the ~~local~~ Council area[9].

~~6.3.~~5.9. Social ~~I~~impact

(a) ~~T~~to give consideration, where applicable, to the inclusion of not-for-profit organisations that benefit the community, and suppliers who employ/engage people who identify as indigenous, with a disability, women in business and small to medium sized businesses.

~~7.~~6. Purchasing Approach

~~7.1.~~6.1. The method of purchase, most appropriate procurement approach and documents required will be determined ~~by reference to the level of expenditure and the most appropriate procurement approach, as determined~~ by **Schedule 1** and consideration of the following:

(a) the circumstances of the procurement activity;
(b) the objectives of the procurement;
(c) the size of the market and the number of competent suppliers;
(d) Council's leverage in the marketplace;
(e) time constraints;
(f) the cost of an open market approach versus the value of the ~~acquisition~~ procurement and potential benefits; and
(g) an assessment of the risks associated with the relevant activity, including the risk profile of the procurement and any risks associated with the preferred procurement method;

~~7.2.~~6.2. Splitting the value of the purchase into individual components to meet with lower value of thresholds is not permitted.

~~Value of Purchase~~

[9] In support of Small Business Friendly Council Charter

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~~7.3. The value of the purchase will be calculated as following (excluding GST):~~
~~(a) single one-off purchase – the total amount, or estimated amount of the purchase~~
~~(b) multiple purchases – the gross value, or the estimated gross value of the purchases~~
~~(c) ongoing purchases over a period of time – the annual gross value, or estimated gross value of the purchases (cumulative spend)~~

~~Acquisition Plan~~

~~7.4. An Acquisition Plan must be prepared when procuring all goods and services that can be considered as being of high expenditure, and/or for which here is a high degree of risks. As a monetary threshold, an Acquisition Plan is required for all purchases over $50,000 (ex GST).~~

~~8.~~7. Procurement m~~M~~ethods

Generally, open and fair competition is best achieved by undertaking a process so that all interested parties have an opportunity to bid. Council may, having regard to its p~~P~~rocurement p~~P~~rinciples (section 5 of this policy) and any other factors considered relevant by ~~the~~ Council, in its absolute discretion determine to utilise ~~one~~ 1 or more of the following procurement methods:

Direct Purchasing:

~~8.1.~~7.1. ~~P~~purchasing from a single supplier, without first obtaining competing bids. This method may be suitable for low value, low risk goods and services, or where costs outweigh benefits of alternative methods.

Expressions of Interest (EOI):

~~8.2.~~7.2. ~~A~~an open invitation allowing market responses to be assessed to identify and short list potential suppliers for future procurement methods. Price is not evaluated.

Request for Quote (RFQ):

~~8.3.~~7.3. w~~W~~here suppliers are invited to participate in a process to bid on a specified goods or services.

(a) Informal Quotations

Simple price quotes, this method may be suitable for one off, simple, low value/risk purchases, often of a retail nature.

(b) Formal Quotations

Detailed written quotes using an approved template. This method may be suitable for more complex, one off purchases which are largely price based and of low to medium value/risk.

Request for Tender (RFT):

~~8.4.~~7.4. ~~A~~a formal and structured invitation to suppliers to participate in process to bid on specified goods or services.

(a) Open Tender

Seeking tenders from the marketplace via an open invitation process.

(b) Select Tender

Seeking tenders from a limited number of suppliers where there are reasonable grounds for only dealing with a select group of potential suppliers.

Panel Contracts:

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~~8.5.~~7.5. Council may establish its own panel arrangement with a select group of suppliers or contractors to increase efficient procurement of goods and services. Panel agreements may comprise of a standing offer or schedule of rates for a fixed term.

Council also has access to multiple panel contracts available on VendorPanel established by Local Government Association Procurement or a procurement partnership.

Strategic Alliances:

~~8.6.~~7.6. ~~W~~ where Council is a member of a collective group and a contract is in place ~~that~~ Council may access. Strategic Alliances include:

(a) Local Government Association Procurement;
(b) Barossa Regional Procurement Group (or successor);
(c) Procurement Australia; and
(d) Any Australian State or Federal Government contracts.

~~9.~~8. Exemptions

~~9.1.~~8.1. This policy contains general guidelines to be followed by Council in its procurement activities. There may instances in which the processes noted will not necessarily deliver best outcome for Council, and other market approaches may be more appropriate.

8.2. Council may, by resolution, waive application of this policy. Council must record its reasons, in writing, for waiving application of this policy.

~~9.2.~~8.3. ~~T~~~~In certain circumstances, t~~he CEO may waive application of this policy~~-~~ and pursue a method which will bring the best outcome for Council. Reasons for waiving application of this policy must be recorded using the procurement summary form or email and registered in Council's EDRMS.[10]

~~Some examples of when it may be appropriate for the CEO to waive application of this policy are:~~

- ~~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.~~

~~9.3.~~8.4. A report regarding procurement policy exemptions will be ~~received by~~provided to the the ~~Audit~~ Committee on a bi~~-~~annual basis.

~~10. Delegation~~

~~All procurement and purchasing will be undertaken in accordance with Council's Delegation Register and expenditure sub-delegations, detailing authorised purchases, purchasing limits and the ability to enter an agreement.~~

- [10]

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~~The Council will delegate the appropriate authority to the Chief Executive Officer to make procurement decisions to an unlimited value (within the annual budget or long term financial plan), or where:~~

~~(a) The procurement is a purchasing Cooperative Contractual arrangement (e.g. LGA Procurement, Procurement Australia)~~

~~(b) It relates to Energy procurement~~

~~Expenditure authorization is needed for service charges relating to Government levies, SA Water, Electricity or insurance premiums.~~

~~11.~~9. References

Competition and Consumer Act 2010 (Cth)
Local Government Act 1999 (SA)

~~12.~~10. Records management

All documents relating to this policy will be registered in Council's Record Management System and remain confidential where identified.[11]

~~13.~~11. Document review

This policy will be reviewed in accordance with Council's *Policy Review Schedule* to ensure legislative compliance and its continued relevance to Council's needs, activities and programs.

~~14.~~12. Further information

Public Access:	Members of the community may inspect this policy (and any other related documents) free of charge at: Council's website: **www.apc.sa.gov.au;** or Council's Principal Office: **2a Wasleys Rd, Mallala SA 5502**. *A copy of this policy may be obtained on payment of a fee.*[12]
Queries:	Any queries in relation to this policy must be in writing to info@apc.sa.gov.au, marked: *Attention: Manager Governance*

[11] Refer to ***Information Management Policy***.
[12] As outlined in Council's Fees & Charges Schedule.

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Schedule 1: Procurement Approach Matrix

Value of pPurchase[13]	Procurement mMethod[14]	Documents	Agreement type
Up to $1,000	*Credit Card[15] Store Card Trade Account	Quote or advertised price	PO Standard Terms & Conditions
$1,001 to $10,000	Direct Purchase (x 1 written quote)	Quote or advertised price	PO Standard Terms & Conditions
$10,001 to $25,000	Select Informal RFQ (x 1 to 2 written quotes); *or* Select Panel Contract (x 1 written quote) Strategic Alliance (1 written quote)	Quote Summary Form (where more than one quote sought)	PO Standard Terms & Conditions
$10,001 to $25,000 (high-risk) $25,001 to $50,000	Open/Select Informal RFQ (x 2 to 3 written quotes); *or* Panel Contract (x 1 written quote) Strategic Alliance (1 written quote)	Quote Summary Form (where more than one quote sought)	PO Standard Terms & Conditions
$25,001 to $50,000 (High-risk) $50,001 to $100,000	Open/Select Informal/Formal RFQ (x 3 written quotes); *or* Panel Contract (x 1 written quote) Strategic Alliance (x 1 written quote)	Acquisition Plan, Quote Summary Form (where more than one quote sought); *or* Tender/Quote Evaluation Matrix, Tender/Quote Evaluation Report, Contract	PO Standard Terms & Conditions; *or* Contract
$50,001 to $100,000 (high-risk) $100,001 to $500,000	Open/Select EOI, RFT, RFQ; *or* RFQ from the Panel (x 3 written quotes) Strategic Alliance (x 1 written quote)	Acquisition Plan, Tender/Quote Evaluation Matrix, Tender/Quote Evaluation Report, Contract	PO Standard Terms & Conditions (Plant only); *or* Contract
$100,001 to $500,000 (high-risk) $500,000 and above	Open RFT; *or* Select RFT if an EOI has been undertaken	Acquisition Plan, Tender Evaluation Matrix, Tender Evaluation Report, Contract	Contract

[13] The value of the purchase will be calculated as following (excluding GST)
- Single one-off purchase – ~~the total amount, or~~ estimated ~~amount~~ value of the ~~purchase~~procurement;
- Multiple purchase – t~~he gross value, or the~~ estimated ~~gross~~ value of the ~~purchase~~procurement;
- Ongoing purchases over a period of time – ~~the annual gross value, or~~ estimated ~~gross~~ value of the ~~purchase~~procurement over the expected purchase period (i.e. cumulative spend)

[14] Procurement method guidance is subject to purchasing officers completing the **Risk Rating matrix** in the *Procurement Procedure* (internal document only).

[15] Refer to Credit Card Policy regarding spending caps and limits.

~~Procurement method guidance is subject to purchasing officers completing the **Risk Rating matrix** in the Procurement Procedure.~~

~~*Refer to Credit Card Policy regarding spending caps and limits.~~

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Internal Procedure

Procedure

To provide clear instructions to employees undertaking procurement activities.

Last reviewed:	TBC
Next review due:	2028
Department:	Finance
Document owner:	Procurement Advisor
Related documents:	Budget Management Policy Contractor Management Procedure Procurement Policy Project Management Policy Risk Management Policy

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Introduction

This procedure has been established to assist employees in conducting procurement activities for Council.

This procedure is intended to be read as a step-by-step guide.. Consideration should be given to the value and risk associated with a procurement activity when deciding on an appropriate procurement method.

For the purpose of procurement activities, all expenditure is exclusive of GST.

This procedure must be read in conjunction with the *Procurement Policy* and *Contractor Management Procedure*. Should you require assistance, please contact the Procurement Advisor.

Terms

Purchasing Officer; the position delegated responsible for initiating the procurement process, i.e. seeking quotes and being point of contact for formal request for quotes/tenders. May be used interchangeably with the term **Contract Manager** in relation to procurement.

Approved budget means an expenditure that is covered by the adopted/revised budget and for which sufficient budget is available.

Budget Owner; the position assigned budgets by Directors/Finance as part of the Annual Business Plan. A Budget Owner will have access to budgets they are responsible for in BIS to be able to monitor expenditure.

Financial Delegate; the position assigned (procurement) sub-delegation by the Chief Executive Officer (CEO) in accordance with section 137 of the Local Government Act 1999.

Evaluation Panel; the positions assigned to undertake a thorough evaluation of submissions to consider if the contractor is suitably qualified to provide the goods and services.

Quote Summary Form; a form required to be completed when seeking more than 1 quote. It provides a summary to the Budget Owner and/or Financial Delegate on quotes sought and a simple evaluation.

Acquisition Plan; a form required to be completed for all purchases over $50,000 regardless of informal/formal procurement process.

Exemption Form; a form required to be completed and approved by the CEO if the Purchasing Officer is seeking to run a procurement process and/or purchase outside of the *Procurement Policy* and this procedure.

All other terms used in this procedure are otherwise consistent with the *Procurement Policy*.

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Evaluation

Each procurement threshold will require a minimum number of assigned evaluation panel member(s).

Threshold	Evaluation Members	Suggested Evaluators
$0 - $1,000	1	- Purchasing Officer - Budget Owner (approve PO)
$1,001 - $25,000	1	- Purchasing Officer - Budget Owner and/or Financial Delegate (approve PO & Quote Summary Form)
$25,001 - $50,000	2	- Purchasing Officer and Budget Owner or colleague with relevant knowledge - Budget Owner and/or Financial Delegate (approve PO & Quote Summary Form)
$50,001 - $100,000	**Low Risk**: 2 **High Risk**: 3 (for high risk refer to below threshold)	- Purchasing Officer and Budget Owner or colleague with relevant knowledge - Budget Owner and Director (approve PO & Quote Summary Form)
$100,001 - $500,000	3	- Purchasing Officer, Budget Owner and third evaluator (colleague who does not require extensive knowledge but basic understanding) - Director and CEO required to approve Acquisition Plan & Evaluation Report
$500,001 +	3 +	As above Evaluators in this threshold may include an external consultant providing technical advice, as well as the CEO or Director.

Consultants, or third-party evaluators, may be on the panel to provide technical advice only and not act as a scoring evaluation panel member. Consequently, the panel may consist of 4 or more members–3 voting members and 1 non-voting member, providing advice.

Council Members may also be nominated on an evaluation panel where it is deemed necessary, such as high-value expenditure with high community interest and/or expenditure with reputational sensitivity. The CEO will provide guidance to the Contract Manager if this is required and whether the Council Members appointed will have a casting vote or oversee the process and provide updates to all Council Members only.

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Expenditure up to $10,000

Expenditure up to $1,000

Steps:

1. Check Skytrust Register and engage a contractor on this list.
2. Request quote–this may be over the phone i.e. catering, in store i.e. Bunnings or via email.
3. Confirm price quoted is within the approved budget and expected price–Purchasing Officer should know budget prior to requesting quote, if not confirm with Budget Owner.
4. Raise Purchase Order and confirm proceeding with the supplier/contractor OR make payment with store card/credit card if applicable.

Expenditure between $1,001 to $10,000

Steps:

Follow steps 1 to 4 above, and**;**

5. Quotes must be received in writing, can be the advertised price online or in store–this will replace Step 2 above.
6. Save quote(s) in relevant content manager container.
7. A Purchase Order must be raised.
8. If more than 1 quote sort, advise unsuccessful supplier/contractor as well as successful and provide feedback if applicable–save in content manager container

*Note: Suppliers/Contractors in this threshold may not appear on the Skytrust Contractor Register.

A Supplier/Contractor must be approved on Council's Skytrust Register if they enter a Council site (including work site) or provide technical/professional advice. i.e. the local bakery who provides catering is not required to be on the register, even if they enter the Council office to drop off the goods.

Responsibilities:

Purchasing Officer	**Budget Owner/Financial Delegate**	**Procurement Advisor**
- Complete Steps 1 to 4 / 8 (dependent on expenditure) - Raise Purchase Order	- Confirm or advise approved budget to Purchasing Officer - Approve Purchase Order	Nil unless advice is sought

Evaluation: 1 evaluator

Purchasing Officer and Budget Owner (where the procurement value exceeds the Purchasing Officer's financial delegation) are required to approve the purchase by approving the Purchase Order.

Refer to Schedule 1 of Procurement Policy for documents required

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Expenditure between 10,001 to $25,000

Steps:

1. Complete the Risk Rating Questionnaire. Consult Procurement Advisor if required.
2. Check Skytrust Register and seek quotes from a contractor on this list.
3. Request 1 to 2* informal quotes from appropriate suppliers via email–amount of quotes dependent on risk rating.

   **unless on Panel Agreement/Strategic Alliance then a minimum of 1 quote is required*

   - When requesting quotes, request copies of updated insurance Certificates of Currency/Return to Work SA and provide these to the Procurement Advisor to update the Skytrust Register.
4. Save request for quote and quote responses in relevant content manager container.
5. Review quotes, confirming they are within the approved budget and expected price.
6. Complete the Quote Summary Form (if more than 1 quote received)–save in content manager container.
7. Raise Purchase Order.
8. If more than 1 quote sort, advise unsuccessful supplier/contractor as well as successful and provide feedback if applicable–save in content manager container.

Responsibilities:

Purchasing Officer	**Budget Owner/Financial Delegate**	**Procurement Advisor**
- Complete Steps 1 to 8 - Complete Quote Summary Form - Raise Purchase Order	- Confirm or advise approved budget to Purchasing Officer - Review and sign Quote Summary Form - Approve Purchase Order	Nil unless advice is sought

Evaluation: 1 evaluator

The Purchasing Officer and Budget Owner (where the procurement value exceeds the Purchasing Officer's financial delegation) must complete the Quote Summary Form or, where only one quote is sought, the Purchase Order..

Refer to Schedule 1 of Procurement Policy for documents required

Expenditure between $25,001 to $50,000; or Expenditure between $10,001 to $25,000 (high risk)

Steps:

1. Complete the Risk Rating Questionnaire. Consult Procurement Advisor if required.
2. Check Skytrust Register and seek quotes from a contractor on this list.
3. Request 2 to 3* informal quotes from appropriate suppliers via email–amount of quotes dependent on risk rating (refer to the schedule 1 of the Procurement Policy).

   **unless on Panel Agreement/Strategic Alliance then a minimum of 1 quote is required*

   - When requesting quotes, request copies of updated insurance Certificates of Currency/Return to Work SA and provide these to the Procurement Advisor to update the Skytrust Register
4. Save request for quote and quote responses in relevant content manager container.
5. Review quotes, confirming they are within the approved budget and expected price.
6. Complete the Quote Summary Form (if more than 1 quote received)–save in content manager container.
7. Raise Purchase Order.
8. If more than 1 quote sort, advise unsuccessful supplier/contractor as well as successful and provide feedback if applicable–save in content manager container.

Responsibilities:

Purchasing Officer	Budget Owner/Financial Delegate	Procurement Advisor
- Complete Steps 1 to 8 - Complete Quote Summary Form - Raise Purchase Order	- Confirm or advise approved budget to Purchasing Officer - Review and sign Quote Summary Form - Approve Purchase Order	Nil unless advice is sought

Evaluation: 2 evaluators

The Purchasing Officer and a secondary evaluator with the appropriate experience and skills to assess the quotes, together with the Budget Owner and/or Financial Delegate (where the procurement value exceeds the Budget Owner's financial delegation), must complete the Quote Summary Form and conflict-of-interest declarations..

Refer to Schedule 1 of Procurement Policy for documents required.

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Expenditure between $50,001 to $100,000; or Expenditure between $25,000 to $50,000 (high risk)

Steps for expenditure deemed **Low/Moderate risk**:

1. Complete the Risk Rating Questionnaire and confirm that the correct procurement procedure is being followed. Consult the Procurement Advisor if required.
2. Complete the short-form Acquisition Plan, including procurement and approved budget information, risk management, and the nomination of two additional panel members. Where possible, the financial delegate should not be appointed as a panel member. All panel members must declare any conflicts of interest. Consult the Procurement Advisor as required.
3. Check Skytrust Register and seek quotes from a contractor on this list.
4. Create detailed specification/scope of works–detail exactly what work you want to be done (be as clear as possible, so you can compare apples with apples).
5. Request 3* informal quotes from appropriate suppliers via email–amount of quotes dependent on risk rating.
6. *unless on Panel Agreement/Strategic Alliance then a minimum of 1 quote is required
7. When requesting quotes, request copies of updated insurance Certificates of Currency/Return to Work SA and provide these to the Procurement Advisor to update the Skytrust Register.
8. Save request for quote and quote responses in relevant content manager container.
9. Review quotes, confirming they are within the approved budget and expected price.
10. Complete the Quote Summary Form (if more than 1 quote received)–save in content manager container.
11. Raise Purchase Order.
12. If more than 1 quote sort, advise unsuccessful supplier/contractor as well as successful and provide feedback if applicable–save in content manager container.

Responsibilities:

Purchasing Officer	Budget Owner/Financial Delegate	Procurement Advisor
- Complete Steps 1 to 8 - Complete Acquisition Plan - Complete Quote Summary Form - Raise Purchase Order	- Confirm or advise approved budget to Purchasing Officer - Review and sign Acquisition Plan - Review and sign Quote Summary Form - Approve Purchase Order	Provide advice on Acquisition Plan and Risk

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Evaluation: 2 evaluators

The Purchasing Officer and a secondary evaluator with the appropriate experience and skills to assess the quotes, together with the Budget Owner and/or Financial Delegate (where the procurement value exceeds the Budget Owner's financial delegation), must complete the Quote Summary Form and conflict-of-interest declarations.Refer to Schedule 1 of Procurement Policy for documents required

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Expenditure between $100,001 to $500,000; or Expenditure between $50,001 to $100,000 (high risk)

Steps:

1. Complete the Risk Rating Questionnaire and confirm that the correct procurement procedure is being followed. Consult the Procurement Advisor if required
2. Complete the long-form Acquisition Plan, including procurement and approved budget information, risk management, and the nomination of two additional panel members. Where possible, the Financial Delegate should not be appointed as a panel member. All panel members must declare any conflicts of interest. Consult the Procurement Advisor as required.
3. A contract is required, consult Procurement Advisor on appropriate market approach*, procurement method and pricing schedule.
    a. Formal Request for Quote / Formal Request for Tender / Expression of Interest
        i. Select / Open Market
        ii. Single / Multi staged approach i.e. EOI followed by Select RFT
    b. Lump Sum Price / Schedule of Rates / Itemised Pricing
        i. Prices Fixed / Variable / Fixed with fee request applicable
    c. Consider term of contract / extension options available

    **unless on Panel Agreement/Strategic Alliance*
4. Create detailed specification/scope of works–detail exactly what work you want to be done (be as clear as possible, so you can compare apples with apples).
    a. Consider specific items/terms / KPI's / completion of works / deadlines, where if not met, Council could terminate the contract.
5. Procurement Advisor will provide final specification and request for review, before being released to appropriate market.
    a. Be prepared for potential respondents to ask questions during the call period, this is normal! Questions help to clarify respondent's interpretation of the specification, ensuring they are quoting accurately.
6. Procurement Advisor to provide panel members with the submissions (quotes) received to begin evaluation, Procurement and Panel members to determine a date to evaluate in person.
7. Evaluate submissions and determine preferred Supplier/Contractor based on scoring outcome.
8. Procurement Advisor to complete Evaluation Report, Panel Members to review and sign.
9. Procurement Advisor to execute contract with Supplier/Contract, and notify unsuccessful submissions with feedback.
10. Procurement Advisor to notify execution of contract to panel.

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Responsibilities:

Purchasing Officer	Panel Members	Budget Owner/ Financial Delegate	Procurement Advisor
- Complete Steps 1 to 5 and 7 - Complete Acquisition Plan - Complete Specification - Respond to respondent enquiries during call period - Complete Evaluation - Assist in finalising contract, if required	- Complete Acquisition Plan - Complete Evaluation	- Confirm or advise approved budget to Purchasing Officer - Review and sign Acquisition Plan - Review and approve/unapproved Evaluation Report - Execute Contract	- Provide advice on Acquisition Plan and Risk - Complete procurement documents ready for market release - Liaise with Purchasing Officer on Specification - Release to market - Provide submissions to panel - Conduct Evaluation meeting - Complete Evaluation Report and circulate for signing - Complete contract and arrange execution - Advise panel members - Advise unsuccessful respondents - Update Skytrust and Internal Procurement Contractor Register (liaise with WHS) - Update intranet (if required)

Evaluation: 3 evaluators (minimum)

The evaluation panel must comprise the Purchasing Officer, a secondary evaluator with the appropriate experience and skills to assess the quotes, and a third member who is not required to have specific procurement assessment experience or skills. The Budget Owner (if not a panel member) and the Financial Delegate must review the documentation and provide the required approvals. All evaluators must complete a conflict-of-interest declaration.Refer to Schedule 1 of Procurement Policy for documents required

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Expenditure above $500,001 : or Expenditure between $100,001 to $500,000 (high risk)

Steps:

1. . Complete the Risk Rating Questionnaire and confirm that the correct procurement procedure is being followed. Consult the Procurement Advisor if required
2. . Complete the long-form Acquisition Plan, including procurement and approved budget information, risk management, and the nomination of two additional panel members. Where possible, the Financial Delegate should not be appointed as a panel member. All panel members must declare any conflicts of interest. Consult the Procurement Advisor as required.
3. A contract is required, consult Procurement Advisor on procurement method and pricing schedule.
    a. Lump Sum Price / Schedule of Rates / Itemised Pricing.
        i. Prices Fixed / Variable / Fixed with fee request applicable.
    b. Consider term of contract / extension options available.
4. Create detailed specification/scope of works – detail exactly what work you want to be done (be as clear as possible, so you can compare apples with apples).
    a. Consider specific items/terms / KPI's / completion of works / deadlines, where if not met, Council could terminate the contract.
5. Procurement Advisor will provide final specification and request for review, before being released to appropriate market.
    a. Be prepared for potential respondents to ask questions during the call period, this is normal! Questions help to clarify respondent's interpretation of the specification, ensuring they are quoting accurately.
6. Procurement Advisor to provide panel members with the submissions (quotes) received to begin evaluation, Procurement and Panel members to determine a date to evaluate in person.
7. Evaluate submissions and determine preferred Supplier/Contractor based on scoring outcome*

    **If over the approved budget, may need to seek Council endorsement*
8. Procurement Advisor to complete Evaluation Report, Panel Members to review and sign.
9. Procurement Advisor to execute contract with Supplier/Contract, and notify unsuccessful submissions with feedback.
10. Procurement Advisor to notify execution of contract to panel.

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Responsibilities:

Purchasing Officer	Panel Members	Budget Owner/ Financial Delegate	Procurement Advisor
- Complete Steps 1 to 5 and 7 - Complete Acquisition Plan - Complete Specification - Respond to respondent enquiries during call period - Complete Evaluation - Assist in finalising contract if required	- Complete Acquisition Plan - Complete Evaluation	- Confirm or advise approved budget to Purchasing Officer - Review and sign Acquisition Plan - Review and approve/unapproved Evaluation Report - Write Council report if required* - Execute Contract	- Provide advice on Acquisition Plan and Risk - Complete procurement documents ready for market release - Liaise with Purchasing Officer on Specification - Release to market - Provide submissions to panel - Conduct Evaluation meeting - Complete Evaluation Report and circulate for signing - Assist in writing Council report if required* - Complete contract and arrange execution - Advise panel members - Advise unsuccessful respondents - Update Skytrust and Internal Procurement Contractor Register (liaise with WHS) - Update intranet (if required)

Evaluation: 3 evaluators (minimum)

Purchasing Officer, secondary evaluator that has experience/skills to assess the quotes and third member who does not require the experience/skills to asses. Budget Owner (if not on panel) and Financial Delegate will need to review documentation and approve. All evaluators will need to complete a conflict-of-interest declaration.

Refer to Schedule 1 of Procurement Policy for documents required

Council Consideration

Regardless of the financial delegations applicable to the procurement, consideration must be given to whether consultation with Council is appropriate.

The following principles should be considered when determining whether consultation with Council is required:

- Is the procurement in response to matters raised by Elected Members?
- Does the procurement relate to roads, rates and/or rubbish?
- Is the product or service being procured externally facing?
- Would I, as an Elected Member, expect to be involved in the procurement?

The procurement risk assessment should also be considered, and any procurement assessed as high risk should be considered for consultation with Council.

Exemptions

An exemption request is to be completed by the Purchasing Officer when proposing to undertake a procurement process outside of the *Procurement Policy* and this procedure.

All exemptions are required to be reviewed and approved by all of the following positions:

- Procurement Advisor
- Budget Owner (if different to Purchasing Officer and Line Manager)
- Line Manager
- Director
- Chief Executive Officer

Once the form has been reviewed and approved by the Procurement Advisor, they will register the document in the relevant content manager container and workflow for appropriate approvals and advise the Purchasing Officer of the outcome. Do not arrange for signatures prior to procurement approval.

The Procurement Advisor is required to provide a bi-annual report (public document) to the Audit and Risk Committee and subsequently Council on approved exemptions to the *Procurement Policy*. It is essential that Purchasing Officers complete the exemption request with this in mind and use language and detail appropriate for the audience. Contact Procurement or Governance for assistance.

Purchasing Officers are required to consider and provide information on the following, relating to the individual procurement:

- Appropriate name of the procurement
- Estimated value (excluding GST)
- Initial Contract term and any renewal options available
- Procurement Method i.e. request for quote
- Agreement type i.e. purchase order/ services agreement/contactors own terms and conditions
- Provide details of market research undertaken i.e. provide evidence that quote is within market range
- Provide details of how you ensured value for money with procurement exemption
- Justification for seeking exemption are:

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- emergency situations threatening life and property;
- sole supplier
- 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;
- LGAP or State Government Procurement Agreements
- timing constraints;
- any other exemptions as documented for probity.

Refer to Schedule 1 of Procurement Policy for documents required

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Risk Rating Questionnaire

As part of determining which formal process is required on the previous page, undertake a high-level risk assessment to assist in considering the approach to market. Consider the below questions (and other factors if relevant):

#	Risk Indicator Question	Yes / No	Risk
1	Is this good or service something: • Council has **previously purchased** from the same supplier? or • Which is **recurring** in nature (of the same goods or service) or high volume?	☐ Yes ☐ No	Yes = **Low** No = **High**
2	Do you know if there have been **no significant changes** in the market for the good or service you are procuring (for example highly competitive market)?	☐ Yes ☐ No	Yes = **Low** No = **High**
3	Could the procurement have a negative impact on **stakeholders** or attract media interest?	☐ Yes ☐ No	Yes = **High** No = **Low**
4	Is a **contract** required? • Will the goods/services run over multiple months and potentially multiple financial years? (contract required) or • Is it a once off purchase that Council's Standard Purchase Order Terms & Conditions will suffice? (no contract required)	☐ Yes ☐ No	Yes = **High** No = **Low**
5	Will the contract result in an **ongoing cost** increase and/or FTE?	☐ Yes ☐ No	Yes = **High** No = **Low**
6	Is it a **complex** good / service being purchased that will be difficult to integrate into the business? (consider integration into Council's IT systems)	☐ Yes ☐ No	Yes = **High** No = **Low**
7	Do you expect **limited** or insufficient responses from quality **vendors**?	☐ Yes ☐ No	Yes = **High** No = **Low**
8	Do the goods/services require substantial **customisation** OR is the scope of specifications not fully known (e.g. supplier innovation required). Think of this as 'off the shelf purchase' or full scope required to be created by Council and/or Contractor/Consultant.	☐ Yes ☐ No	Yes = **High** No = **Low**
9	Does the procurement represent a potential risk that could result in a hazard or injury to staff?	☐ Yes ☐ No	Yes = **High** No = **Low**
10	Other risks?	☐ Yes ☐ No	Yes = **High** No = **Low**

Indicators

- 3 questions which result in high-risk answers means the procurement is risk is **HIGH**
- 2 questions which result in high-risk answers means the procurement is risk is **SIGNIFICANT**
- If any of the questions result in a high-risk answer, consult the Procurement Advisor for guidance.

Refer to Schedule 1 of Procurement Policy for Procurement Approach required

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Appendix 1 – Limitations to Financial Sub-Delegations by Chief Executive Officer

File Note

Limitations to Financial Sub-Delegations by Chief Executive Officer

Administered by:	Chief Executive Officer
Last review date:	July 2026
Document number:	D26/31271

I confirm power to expend funds under section 137 of the *Local Government Act 1999* has been sub-delegated to the below mentioned positions, and are subject to the following limitations:

Position	Limitation – To Approve		
	Purchase Order ($)	Invoices ($)	Credit Card ($)
Executive Office			
Chief Executive officer	Full delegation by Council		1,000
Executive Assistant to the Mayor/CEO	5,000	5,000	5,000
Corporate Services			
Director Corporate Services	100,000	100,000	2,000
Manager Governance	10,000	10,000	
Manager Customer Experience	10,000	10,000	
Manager People & Culture	10,000	10,000	
WHS Advisor	5,000	5,000	
Team Leader Customer Service / Administration Support Officer	5,000	5,000	
Governance Administration Officer	5,000	5,000	
Property Coordinator	5,000	5,000	
Marketing & Communications Officer	5,000	5,000	
Senior Information Technology Officer	5,000	5,000	
Senior Information Management Officer	5,000	5,000	
Development & Community			
Director Development & Community	100,000	100,000	2,000
Manager Regulatory	10,000	10,000	
Manager Development Assessment	10,000	10,000	
Manager Library & Community	10,000	10,000	
Manager Growth & Investment	10,000	10,000	
Senior Planning Officer	5,000	5,000	
Senior Planning Officer (Policy & Assessment)	5,000	5,000	
Economic Development Officer	5,000	5,000	
Community Safety Officer	5,000	5,000	
Environmental Health Officer	5,000	5,000	
Community Development Officer	5,000	5,000	

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Infrastructure & Environment			
Director Infrastructure & Environment	100,000	100,000	5,000
Manager Operations	10,000	10,000	
Manager Engineering & Assets	10,000	10,000	
Team Leader Civil Construction & Maintenance	5,000	5,000	
Team Leader Open Space & Environment	5,000	5,000	
Senior Workshop Officer	5,000	5,000	
Maintenance & Project Officer	5,000	5,000	
Coastal Conservation Officer	5,000	5,000	
CWMS & Maintenance Officer	5,000	5,000	
Administration Support Officer Infrastructure & Environment	5,000	5,000	
Finance			
Chief Financial Officer	100,000	100,000	2,000
Accountant	10,000	10,000	
Procurement Advisor	5,000	0	
Senior Finance & Rates Officer	5,000	0	
Rates Officer	5,000	0	

Signed: _____

James Miller, Chief Executive Officer

Date: 7 July 2026

7.4 POLICY REVIEW - PRUDENTIAL MANAGEMENT POLICY

Record Number: **D26/49913**

Author: **Manager Governance**

Authoriser: **Acting Director Corporate Services**

Attachments:
1. **Current - Prudential Management Policy ⇩**
2. **Draft - Project Management Policy ⇩**

EXECUTIVE SUMMARY

- The purpose of this report is to provide the Audit and Risk Committee (the Committee) Council's draft Project Management Policy (draft Policy) for review.
- The draft Policy is proposed to replace Council's current Prudential Management Policy.

RECOMMENDATION (OPTION 1)

"that the Audit and Risk Committee, having considered Item 7.4 – *Policy Review - Prudential Management Policy*, dated 4 November 2026, notes the report and in doing so recommends that Council:

1. revokes the current Prudential Management Policy (presented as Attachment 1); and
2. adopts the Project Management Policy (presented as Attachment 2)."

RECOMMENDATION (OPTION 2)

"that the Audit and Risk Committee, having considered Item 7.4 – *Policy Review - Prudential Management Policy*, dated 4 November 2026, notes the report and in doing so recommends that Council:

1. revokes the current Prudential Management Policy (presented as Attachment 1); and
2. adopts the Project Management Policy (presented as Attachment 2) subject to the following changes:
   (a) ...; and
   (b) …"

BUDGET IMPACT

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

RISK ASSESSMENT

Under section 48(aa1) of the Local Government Act 1999, councils are required to develop and maintain prudential management policies, practices, and procedures for the assessment of projects.

The proposed new Project Management Policy also aims to address the ambiguities and inconsistencies in Council's prudential and project management practices identified in the Independent Procurement Review undertaken by Morris Forensic, dated 27 May 2026, and promote a consistent and transparent approach to the management of various projects.

DETAILED REPORT

Purpose

The purpose of this report is to provide the Audit and Risk Committee (the Committee) Council's draft Project Management Policy (draft Policy) for review, proposed to replace Council's current Prudential Management Policy.

Background

Council's current Prudential Management Policy was last reviewed and adopted by Council on 27 June 2022.

Council has presented two draft Prudential Management Policies (and procedures) to the Committee on 9 February 2026 and 1 April 2026.

At the 1 April 2026 meeting, the Committee resolved as follows:

> ***COMMITTEE RESOLUTION 2026/30***
>
> ***Moved: Mr Rushbrook***
> ***Seconded: Mr Scargill***
>
> ***"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 draft Prudential Management Policy and Procedure be brought back to a future meeting of the Audit and Risk Committee for Review."***
>
> ***CARRIED***

This report is presented in accordance with Committee resolution 2026/30.

Discussion

The current policy largely reflects the Local Government Association's model Prudential Management Policy. However, internal review feedback revealed a widespread lack of awareness across Council regarding its existence and purpose.

In attempt to resolve this, the draft Policy intends to shift the approach from 'checking boxes' (and strict focus on section 48 of the *Local Government Act 1999*) and instead focus on practical project delivery and management of risk. The draft Policy intends to integrate legislative requirements into a comprehensive Project Management Framework. Overall, internal feedback on the draft Policy was extremely positive and widely understood. A summary of the main changes in operational practices is provided in Table 1.

To assist in the implementation, in addition to Schedule 1 (Project size) of the draft Policy, Council administration has drafted (internal) project templates aligned to the draft Policy as follows:

- Project proposal (requests for approval) – section 7
- Project plan – section 8
- Project update – section 9
- Project change request (including flowchart on if variation approval required) – section 9
- Project evaluation – section 10

Table 1: Summary of the main changes in operational practices between the current policy and the draft Policy.

Prudential Management Policy	Draft Project Management Policy
Proposed projects (as defined within the policy) must be first assessed as to the level of due diligence that is required. Decision-maker must request a due diligence report. After projects approved, managed according to due diligence. After a project has been completed, it will be evaluated and reported on according to the principles of due diligence. Prudential report prepared where required under section 48 of the Act.	Requirements for project proposals, plans, reports, change requests and evaluations are guided by a framework included in Schedule 1, based on cost, timeframe, strategic importance, political importance, cultural sensitivity, level of change, complexity or risk. Minor, medium and major projects require a documented project proposal. Medium projects require a project management plan, approval by and reporting to the executive management team. Major projects require the above, a report to the Committee, Council approval, and regular reporting. Major projects may also require a prudential review. Updated internal templates for each phase are available.

Conclusion

It is now for the Committee to consider the draft Policy as presented as Attachment 2 to this report.

References

Legislation

Local Government Act 1999

Council Policies/Plans

Community Engagement Policy
Risk Management Policy
Procurement Policy
Prudential Management Policy
Internal Financial Controls Policy

Adelaide Plains Council	**Prudential Management Policy**	
	Version Adoption by Council: Date 27 June 2022 **Resolution Number:** 2022/170 **Current Version:** V1.3	
	Administered by: General Manager – Finance and Business	**Last Review Date:** 2022 **Next Review Date:** 2024
Document No: D22/1041	**Strategic Response** Proactive Leadership – Strategic and sustainable financial management	

1. Objectives

This policy has two objectives:

1.1 to ensure that a Council project is undertaken only after an appropriate level of "due diligence" is applied to the proposed project; and

1.2 to ensure that each Council project is:

- managed during the project and
- evaluated after the project, to

achieve identified public benefits or needs; and to minimise financial risks.

The objectives of this Policy shall be considered in a report on any potential project, regardless of the financial impact or the size of the project.

2. Scope

This document sets out the policy of the Adelaide Plains Council for prudential management of all its projects. This policy applies to all projects (as defined below) no matter how big or small.

3. Definitions

Decision-maker may be an Elected Member of Council, the Chief Executive, or a Manager of Adelaide Plains Council.

Due Diligence is an expression used to describe the conduct of a systematic review of a transaction, prior to entering the transaction. The efficient and cost effective use of public funds is a fundamental of good government. A culture of public sector management that fosters accountability, integrity and due process results in the efficient use of public resources.

Effective due diligence requires a Council to devote at least some attention to:

- compliance
- benefits or needs; and
- financial risks.

Project is a new and discrete undertaking or activity that would involve the expenditure of money, deployment of resources, incurring or assuming a liability, or accepting an asset.

This should not be interpreted to mean that all Council activities are "projects". Regular, ongoing deliveries of Council services are not "new and discrete" activities so therefore are not included within this definition. A project is a temporary endeavour with a defined beginning and end. The temporary nature of projects stands in contrast to business as usual (or operations) which are repetitive, ongoing functional activities to provide services.

Simply purchasing an item of plant or equipment, (e.g. a single vehicle) or a parcel of land will constitute a "project" if the purchase is not part of a wider project or part of ongoing operations. Any purchase must comply with Council's Procurement Policy. However, a "project" will typically involve more than merely purchasing. It will always involve Council staff time, often in undertaking activities in association with other organisations. On the other hand, a project need not entail any expenditure. It may include, for example, receiving land or other assets for free, or granting permission for a private activity on Council land.

All projects should be considered in the context of not only this policy, but also Council's Risk Management Plan.

Prudential Management is taking a precautionary approach to proposed projects. Put simply, prudential management attempts to foresee what adverse financial consequences might arise from any project that a Council is contemplating, and requires managing the project in such a manner as to capture the proposed benefits, while minimising, offsetting or otherwise taking account of the foreseeable financial risks.

4. Legislation

This Policy is made pursuant to section 48(aa1) of the *Local Government Act 1999* ("the Act") which provides:

> *A Council must develop and maintain prudential management policies practices and procedures for the assessment of projects to ensure that the Council:*
>
> *(a) acts with due care diligence and foresight; and*
>
> *(b) identifies and manages risks associated with a project; and*
>
> *(c) makes informed decisions; and*
>
> *(d) is accountable for the use of Council and other public resources.*

As such, this Policy applies to all Council projects, equal or greater than $50k, to ensure compliance with this provision, and that decision-making in respect of any project is made with reliable, accurate and timely information.

5. Deciding upon an appropriate level of due diligence

Any proposed project must first be assessed as to the level of due diligence that is required.

The Council's record of delegations lists the powers that the Council has delegated to the Chief Executive and/or other managers, including the power (depending upon budgetary allocations and other Council policies) to approve some projects. The record of delegations may distinguish types of projects that a specific manager is permitted to approve.

The Executive Leadership has delegated authority to exercise some, dependant upon budgetary allocations, of Council's powers to approve projects. For a particular project, the decision-maker may be the Chief Executive Officer or Council.

When approval is being sought or considered for a specific project, information must be provided to the CEO and/or Council to indicate approximately, at first instance:

- the specific benefits or needs to be addressed;
- the extent to which it may be substantially similar to other past projects;
- the expected whole-of-life costs of the project; and
- what, if anything, is known about the levels of financial risk that may be involved.

Therefore, for a particular proposed project, (depending on the record of delegations) the decision-maker may be the Council, the Chief Executive, or a member of the Executive Leadership at the Adelaide Plains Council.

5.1 Two threshold questions

The decision-maker accordingly should make an evaluation as to the extent of due diligence that must be embarked upon before any subsequent decision is made whether or not to proceed with the proposed project.

As a first step, the decision-maker must ascertain:

- whether funding of the whole-of-life costs of the proposed project will (or might) require additional allocations beyond those already accommodated in Council's long-term financial plan; and
- whether the proposed project will (or might) generate any additional financial risk for the Council.

Seeking the answers to these two questions is a threshold 'due diligence' test. If the decision-maker is sure that whole-of-life costs and financial risks are already accounted for, then Council Administration will record in its' Records Management system the reason for not obtaining a Due Diligence Report (DDR) and no further action is necessary. However, in many cases, the decision-maker will not be sure of these answers, and will require a second step outlined below.

5.2 Due diligence report

To resolve any doubt, the decision-maker must request preparation of a ***due diligence report*** (DDR). See section 6 below.

For large commercial or non-commercial projects, section 48(1) of the Act requires that a full prudential report be prepared for Council. A report under section 48 will be regarded as the highest-level, most thorough type of DDR for the purposes of this Policy.

A full prudential report may also be commissioned under section 48, for "any other project for which the Council considers that it is necessary or appropriate".

If a full prudential report is not sought, the Council will record its reasons for *not* obtaining such a report. This might be satisfied simply by noting (if appropriate) that the proposed project has been assessed under 5.1 of this policy, or under a DDR as being of low or negligible financial risk.

6. Due diligence before a decision on whether to proceed

Depending upon the extent of due diligence required by the decision-maker, a DDR of greater or lesser detail will be prepared. This DDR will include, in relation to the proposed project:

- an analysis of the need or demand;
- identification and quantification of the expected financial and other benefits;

- identification and quantification of the likely whole-of-life financial and other costs, including staffing and project management costs;
- assessment of the associated financial risks, (including the financial risks of not proceeding or delaying the proposed project) and consideration of ways they can be managed and/or mitigated;
- an evaluation that weighs up all of the factors above.

For the smallest projects with least financial risk, this DDR may comprise only a single page and may be prepared by a single staff member. Larger, more complicated and/or financially riskier projects will require a DDR containing correspondingly more information and assessment, as required by the CEO and/or Council with input from two or more of Council Administration.

The CEO and or Council may request a DDR from a working party of Council Administration, or an external consultant, or a combination of both. Consideration will be given to whether those preparing a DDR require special skills such as engineering, finance, project management, town planning etc.

In requesting and preparing a DDR, the CEO and Council Administration must consider Council's Risk Management Framework, Long Term Financial Plan and Asset Management Plans and *where* the proposed project should be placed within each of the following two tables.

Financial risk (FR) including upfront and ongoing costs (whole of life) / Likelihood of FR	**Minor** i.e. FR between $1,000 and $10,000	**Moderate** i.e. FR between $10,000 and $100,000	**Major** i.e. FR between $100,000 and $500,000	**Catastrophic** i.e. FR greater than $500,000
Almost certain	Project Feasibility	Project Feasibility	Project Feasibility	Project Feasibility – Potential Prudential Report
Likely	Basic DDR – Potential Project Feasibility	Project Feasibility	Project Feasibility	Project Feasibility – Potential Prudential Report
Possible	Basic DDR – Potential Project Feasibility	Basic DDR – Potential Project Feasibility	Project Feasibility	Project Feasibility – Potential Prudential Report
Unlikely	Basic DDR	Basic DDR – Potential Project Feasibility	Basic DDR – Potential Project Feasibility	Project Feasibility
Rare	Basic DDR	Basic DDR – Potential Project Feasibility	Basic DDR – Potential Project Feasibility	Project Feasibility

Note: Exclusion of financial exposure mitigated by Council's insurance policy.

Whole of life (WoL) costs	Minor i.e. FR between $1,000 and $10,000	Moderate i.e. FR between $10,000 and $100,000	Major i.e. FR between $100,000 and $500,000	Catastrophic i.e. FR greater than $500,000

For any project that falls into the shaded area of either table, a DDR must also include a project feasibility study, to provide a high level consideration of the expected costs and revenues over the life of the project, using discounted cashflow analysis. One important aspect that will be considered in such a study is the reliability of these costs and revenues within these calculations, particularly if revenues are dependent on future market conditions.

7. Due diligence during a project

After a decision has been made to commence a project, it will be managed according to the principles of due diligence.

The Council will take action to manage the project so that:

- the project remains focussed upon the expected public benefits or needs that have been identified in the DDR; and
- financial risks identified in the DDR are managed appropriately.

8. Due diligence after a project

After a project has been completed, it will be evaluated, according to the principles of due diligence, to determine the extent to which the project:

- has achieved the public benefits or needs identified in the DDR that it was intended to achieve or satisfy; and
- has avoided or mitigated the financial risks identified in the DDR.

A Council Report will be compiled for the Council's Audit Committee outlining full Due Diligence of the project.

9. Related Documents

Annual Business Plan

Asset Management Plans

Internal Financial Controls Policy

Long Term Financial Plan

Risk Management Policy and Framework

Strategic Management Plan

Procurement Policy

10. Records Management

All documents relating to this Policy will be registered in Council's Record Management System and remain confidential where identified.

11. Document Review

This Policy will be reviewed periodically to ensure legislative compliance and that it continues to meet the requirements of Council its activities and programs.

12. References & Related Regulations

Independent Commissioner Against Corruption Act 2012

Local Government Act 1999 – s48 (aa1), (1),

LGA Financial Sustainability Information Paper 27 – Prudential Management December 2019

13. Further Information

Members of the public may inspect this Policy free of charge on Council's website at www.apc.sa.gov.au or at Council's Principal Office at 2a Wasleys Rd, Mallala SA 5502

On payment of a fee, a copy of this policy may be obtained.

Any queries in relation to this Policy must be in writing and directed to the General Manager – Finance and Business.

Note: Electronic version in Council's EDRMS is the controlled version. Printed copies are considered uncontrolled.
Before using a printed copy, verify that it is the current version

Project Management Policy

As required by section 48(aa1) of the Act.

Adoption by Council:	DD Month YYYY
Resolution number:	YYYY/###
Current version:	1
Administered by:	Director Corporate Services
Last review date:	2026
Next review date:	2028
Document number:	D26/43677
Strategic outcomes:	Proactive Leadership

Related documents:	Community Engagement Policy Risk Management Policy Procurement Policy Internal Financial Controls Policy

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1. Purpose

1.1. The purpose of this policy is to comply with Council's legislative requirements,[1] and ensure Council projects are appropriately planned, effectively delivered and transparently reported on.

2. Scope

2.1. This policy applies to all projects undertaken by Council, excluding road and asset construction or maintenance, and drainage works. [2]

2.2. This policy does not apply to regular, ongoing delivery of existing Council services managed and monitored through operational service delivery processes, and do not constitute a project for the purpose of this policy.

2.3. Application of this policy must be proportionate to the project size as identified in **Schedule 1**.

3. Definitions

3.1. ***Act*** means the Local Government Act 1999;

3.2. ***CEO*** means Chief Executive Officer of Council;

3.3. ***consultation*** means a process of community engagement where information is provided, and the community is formally invited to comment and make submissions to Council;

3.4. ***Committee*** means Audit and Risk Committee of Council established under section 41 of the Act;

3.5. ***Council*** means Adelaide Plains Council;

3.6. ***employee*** means any person carrying our duties or performing tasks for and on behalf of Council, whether they are paid or unpaid, including staff, contractors, consultants, trainees, volunteers, students and any other person who has access to Council's electronic systems and services in a full-time, part-time or casual capacity;

3.7. ***EMT*** means executive management team of Council;

3.8. ***project*** is as defined in section 4(1) of the Act, for clarity a project is a fixed term endeavour with a defined beginning and end;[3]

3.9. ***project management plan*** means a document outlining how a project will be managed throughout its lifecycle.

3.10. ***project proposa***l means a documented plan for a project which seeks to be approved;

3.11. ***prudential report*** means a report required for a prudential issue, as defined and required under section 48 of the Act.

3.12. ***strategic management plans*** is as described in the Act (see Chapter 8 Part 1);

3.13. ***qualified independent person*** means a person who is not a member or employee of Council and is determined by Council to have appropriate qualifications or experience in the relevant subject matter.

[1] Section 48 of the Act.
[2] Section 48(1)(b)(iii) and (3) of the Act.
[3] For clarity, this does not apply to Council events.

Note: *the electronic version in Council's Electronic Document and Records Management System is the controlled version. Printed copies are considered uncontrolled. Before using a printed copy, verify that it is the current version.*

4. Our Core Values

Our approach to project management is underpinned by Council's core values:

Honesty and Integrity	Innovative and Open-minded	Leadership and Diplomacy	Professionalism	Respect	Teamwork
Building trust and loyalty with the community and within Council.	Being proactive in continually improving our services.	By acting strategically and effectively managing our relationships.	Through commitment, quality and timeliness of work delivered.	For others, acting with humility and empathy.	Through unity, cooperation and support.

5. Statement of intent

5.1. Council will plan, monitor, report on and evaluate its projects to continually improve.

5.2. The CEO will, on behalf of Council, develop and maintain a project management plan (required for all projects within the scope of this policy), with the goal of providing a consistent approach to project management aligning to Council's strategic objectives.[4]

5.3. Level of detail required for a project management plan will be proportionate to the project size.[5]

5.4. The project management plan, or an appropriate summary of such, will be reported to the Committee and Council, when required (by legislation or policy) or in circumstances the CEO otherwise deems appropriate.

6. Project lifecycle

6.1. A project life cycle consists of 4 phases:

a) Initiate
b) Plan
c) Deliver (& report)
d) Evaluate

7. Initiate

7.1. The initiation phase commences with a documented project proposal and is to include:

a) reasons for the project (expected benefits, objectives and outcomes);
b) how it aligns with Council's strategic management plans and policies;
c) any related legislative and policy requirements;
d) known and estimated costs;
e) key stakeholders;
f) (project) risk assessment;[6] and
g) the expected project size (minor, medium, major), using **Schedule 1**.[7]

7.2. The project proposal is to be approved before planning commences, if applicable.[8]

[4] The project management plan will be updated as needed, as approved by EMT.
[5] As identified in **Schedule 1.**
[6] Refer to Council's Risk Management Policy.
[7] Including management and mitigation of the risks and identify risks of not proceeding or delaying the project.
[8] As identified by the project size in **Schedule 1.**

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8. Plan

8.1. The planning phase commences after the project proposal has been approved (if applicable).
8.2. The required detail for a project management plan will depend on the project size.[9]
8.3. The project management plan is to be approved before delivery commences.[10]
8.4. Minor projects do not require a project management plan.
8.5. Medium projects require a documented project management plan which is to include:
a) the approved project proposal;
b) the work required to deliver the project (all actions and resources);
c) internal and external approvals required (legislative or policy requirements);
d) reporting requirements;
e) costs and procurement required (within existing budget, budget review required or project proposed for future years);[11]
f) stakeholder engagement and consultation; [12]
g) timeline and key milestones;
h) risk treatments.[13]
8.6. Major projects may require a prudential report in addition to a project management plan (with the detail as required in 8.5) and if so, must include (as detailed in section 48(2) of the Act): [14]
a) the relationship between the project and relevant strategic management plans;
b) the objectives of the Development Plan in the area where the project is to occur;
c) the expected contribution of the project to the economic development of the local area, the impact the project may have on businesses carried on in the proximity and, if appropriate, how the project should be established in a way that ensures fair competition in the market place;
d) the level of consultation with the local community, including contact with persons who may be affected by the project and the representations that have been made by them, and the means by which the community can influence or contribute to the project or its outcomes;
e) if the project is intended to produce revenue, revenue projections and potential financial risks;
f) the recurrent and whole-of-life costs associated with the project including any costs arising out of proposed financial arrangements;
g) the financial viability of the project, and the short and longer term estimated net effect of the project on the financial position of Council;
h) any risks associated with the project, and the steps that can be taken to manage, reduce or eliminate those risks (including by the provision of periodic reports to the CEO and Council);
i) the most appropriate mechanisms or arrangements for carrying out the project;
j) if the project involves the sale or disposition of land, the valuation of the land by a qualified valuer under the *Land Valuers Act 1994*.
8.7. All prudential reports will be presented to the Committee before being presented to Council.[15]

[9] As identified by the project size in **Schedule 1**.
[10] As identified by the project size in **Schedule 1**.
[11] Refer to Council's Procurement Policy.
[12] Refer to Council's Community Engagement Policy.
[13] Refer to Council's Risk Management Policy.
[14] Such report to include prudential requirements in section 48 of the Act.
[15] A prudential report must not be read in insolation, but be considered in conjunction with Council's strategic management plans.

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9. Deliver (& report)

9.1. The delivery phase commences after required approvals are obtained.[16]

9.2. The progress of the project is to be monitored and reported on, as appropriate. Project reporting may address:

(a) variations to the approved project management plan;
(b) expenditure against approved budget;
(c) progress against approved timeline and key milestones;
(d) risks and challenges;
(e) actions required to maintain effective project delivery.

9.3. Variations to a project management plan can be made, as necessary and need to be recorded.[17]

10. Evaluate

10.1. The evaluation phase commences when the project management plan timeline and key milestones have been completed, this will be documented as a project evaluation to confirm it:

(a) achieved the expected benefits, objectives and outcomes;
(b) was delivered within approved budget (or variations appropriately managed and reported);
(c) was delivered within approved timeline and key milestones achieved (or variations appropriately managed and reported);
(d) appropriately identified risks and implemented controls;
(e) complied with legislative and policy requirements;
(f) identified lessons learned (to improve future Council projects).

10.2. The project evaluation is to be provided to EMT for information.

11. Records management

All documents relating to this policy will be registered in Council's Record Management System and remain confidential where identified.[18]

12. Document review

This policy will be reviewed in accordance with Council's *Policy Review Schedule* to ensure legislative compliance and its continued relevance to Council's needs, activities and programs.

13. Further information

Public Access:	Members of the community may inspect this policy (and any other related documents) free of charge at: Council's website: **www.apc.sa.gov.au;** or Council's Principal Office: **2a Wasleys Rd, Mallala SA 5502**. *A copy of this policy may be obtained on payment of a fee.*[19]
Queries:	Any queries in relation to this policy must be in writing to info@apc.sa.gov.au, marked: *Attention: Manager Governance*

[16] In accordance with the project management plan.
[17] Refer to the Project Variation Request form (internal form only).
[18] Refer to ***Information Management Policy***.
[19] As outlined in Council's Fees & Charges Schedule.

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Schedule 1: Project size

Project size	Major	Medium	Minor
Criteria of project size	A major project: • impacts whole of Council, external stakeholders, or more than 1 tier of Government; or • includes any activities in the Council area which may be considered high cultural sensitivity; or • meets 3 or more categories in this column; or • meets the definition of a prudential issue.[20]	A medium project: • meets 4 or more categories in this column; or • meets 2 categories in the Major column and 3 or more categories in this column.	A minor project: • captures all remaining combinations
Total Cost	>$500,001	$101,000 to $500,000	<$100,000
Delivery Timeframe	>12 months	6-12 months	<6 months
Strategic importance	Impacts 4+ strategic outcomes	Impacts 2-3 strategic outcomes	Impacts 1 strategic outcomes
Political importance	Major political implications	Some political implications	No political implications to either proceeding or not proceeding
Cultural sensitivity	Includes any high-risk activities and / or works in high risk or highly sensitive areas	Includes some medium risk activities and / or medium risk areas	Nil to low risk activities (ie, no earthworks) and / or low risk areas
Level of change	Impacts whole of Council, external stakeholders, or more than one tier of Government	Impacts whole of Council	Impacts a single department
Importance	Legislatively required, and/or committed via Council decision, plan or Strategy	Committed via Council decision, Plan or Strategy	Optional
Complexity	High Both problem and solution difficult to define or understand, and solution difficult to achieve	Medium Either difficult to understand problem, solution unclear or solution difficult to achieve	Low Easily understood problem, solution is readily achievable
Risk assessment	High to Extreme	Medium	Low
Planning & reporting required	Project proposal Project management plan Prudential report (if applicable)[21] Report to Committee[22] Council approval Regular reporting to EMT, Committee and Council	Project proposal Project management plan EMT approval Regular reporting to EMT	Project proposal only Line manager approval EMT awareness

[20] Section 48(1) of the Act.
[21] Section 48 of the Act.
[22] A prudential report must not be read in insolation, but be considered in conjunction with Council's strategic management plans.

7.5 ORDINARY MEETING SCHEDULE 2027

Record Number: **D26/49413**

Author: **Chief Financial Officer**

Authoriser: **Chief Executive Officer**

Attachments: **Nil**

EXECUTIVE SUMMARY

- The purpose of this report is for the Audit and Risk Committee to adopt its Ordinary Meeting Schedule for the 2027 calendar year.

RECOMMENDATION

"that the Audit and Risk Committee, having considered Item 7.5 – *Ordinary Meeting Schedule 2027*, dated 4 November 2026, notes the report and in doing so resolves that Ordinary Meetings for 2027 will be held in the Mallala Council Chamber commencing at 2:00pm on the following dates:

1. **Wednesday, 3 February 2027**
2. **Wednesday, 7 April 2027**
3. **Wednesday, 2 June 2027;**
4. **Wednesday, 4 August 2027; and**
5. **Wednesday, 3 November 2027"**

BUDGET IMPACT

Estimated Cost:	The current sitting fee payable to independent members is $3,209 per meeting, plus superannuation. The sitting fee will be adjusted annually from 1 July in line with the Adelaide CPI for the March quarter.
Future ongoing operating costs:	Not applicable
Is this Budgeted?	Yes

RISK ASSESSMENT

To remain complaint with legislation, the Committee (as resolved by Council) must determine the dates and times for ordinary meetings.

A meeting schedule will assist committee members and employees in planning their respective schedules and availability and additionally ensures the community is provided with advanced notice of ordinary meetings.

DETAILED REPORT

Purpose

The purpose of this report is for the Audit and Risk Committee (the Committee) to adopt its Ordinary Meeting Schedule for the 2027 calendar year, in accordance with the *Local Government Act 1999* (the Act) and its Terms of Reference (ToR).

Background

Section 87 of the Act provides as follows:

> ***87—Calling and timing of committee meetings***
>
> *"(1) Ordinary meetings of a council committee will be held at times and places appointed by the council or, subject to a decision of the council, the council committee.*
>
> *(2) A council or council committee must, in appointing a time for the holding of an ordinary meeting of a council committee, take into account—*
>
> *(a) the availability and convenience of members of the committee; and*
>
> *(b) the nature and purpose of the committee…"*

Council, at its 17 June 2026 Ordinary Council Meeting, adopted the Committee's ToR. The ToR of the Committee states:

> ***"4.1 Frequency and time***
>
> *(a) Ordinary meetings of the Committee will be held on dates and times as determined by the Committee…"*

Section 126(5) of the Act further stipulates:

> ***126—Audit and risk committee***
>
> *"… (5) There must be at least 1 meeting of a council audit and risk committee in each quarter."*

The Committee's ToR further confirms the legislative requirement under paragraph 4.1(b):

> *"… (b) The Committee will have at least 1 meeting in each quarter."*

And, finally, the location of the meetings:

> ***"4.2 Location***
>
> *Meetings will be held at Council's Mallala Chamber, or as otherwise determined by the Committee."*

Discussion

Council administration, having taken the legislative requirements and the Committee's ToR into consideration, suggests the following schedule for the 2027 calendar year:

- Wednesday, 3 February 2027
- Wednesday, 7 April 2027
- Wednesday, 2 June 2027;
- Wednesday, 4 August 2027; and
- Wednesday, 3 November 2027.

Conclusion

It is now for the Committee to consider the meeting schedule for 2027.

References

Legislation
Local Government Act 1999
Local Government (Meeting Procedures) Regulations 2013

Council Policies/Plans
Audit and Risk Committee – Terms of Reference

7.6 UPDATE - AUDIT & RISK COMMITTEE ANNUAL WORKS PROGRAM 2026/2027

Record Number: **D26/36407**

Author: **Accountant**

Authoriser: **Chief Financial Officer**

Attachments: **1. Audit & Risk Annual Works Program 2026/2027 ⇩**

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 Works Program for 2026/2027 Financial Year.

RECOMMENDATION

"that Audit & risk Committee, having considered Item 7.6 – *Update - Audit & Risk Committee Annual Works Program 2026/2027*, dated 4 November 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 2026/2027 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 assist 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 2026/2027 Financial Year.

Background

At its meeting on 12 August 2025, the Committee adopted the work program for 2026/2027 Financial Year:

> ***COMMITTEE RESOLUTION 2026/75***
>
> ***Moved: Mr Fairlie-Jones***
> ***Seconded: Ms Best***
>
> ***"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. Move Item 9.1 to become new Item 8.9;***
> ***2. Add a new item 'Report on Council's response to ESCOSA recommendations' – Annually; and***
> ***3. Add 'August 2027' to Item 1.3."***
>
> ***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 2026/2027 Work Program is presented to assist the Committee in monitoring their planned activities and **Attachment 1** shows progress to date.

Conclusion

This is the first progress update report since the adoption of the 2026/2027 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 2026-2027

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	Refer to the report titled '*Draft Audited Financial Statement 2025/2026*' is included in the agenda of 4 November 2026 meeting	4/11/2026
▪ 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	August 2027		
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	Next review of the SMP will commence after the LG election in April 2027	
▪ Review of infrastructure & assets management plan (I&AMP)	August 2026	Report titled '*Draft – Summary Asset Management Plan*' was presented to the 12 August 2026 meeting seeking	12/08/2026

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Draft Audit & Risk Committee Annual Work Program 2026/2027

	August 2027	feedback prior to public consultation. Following public consultation, Draft Summary Asset Management Plan was adopted by the Council on 16 September 2026	
▪ Review of Long-Term Financial Plan (LTFP)	August 2026	Draft LTFP 2026-2035 was presented to 12 August 2026 and 03 September 2026 meeting seeking feedback prior to public consultation. An update on the progress of LTFP is contained withing the agenda of this meeting.	4/11/2026
▪ 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	Draft LTFP 2026-2035 was presented to 12 August 2026 and 03 September 2026 meeting seeking feedback prior to public consultation. An update on the progress of LTFP is contained withing the agenda of this meeting.	
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	Draft LTFP 2026-2035 was presented to 12 August 2026 and 03 September 2026 meeting seeking feedback prior to public consultation. An update on the progress of LTFP is contained withing the agenda of this meeting.	
3. Continuous improvement - LGA Act 1999 – Section 126(4)(c)			

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Draft Audit & Risk Committee Annual Work Program 2026/2027

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	Refer to the report titled '*Draft Audited Financial Statement 2025/2026*' is included in the agenda of 4 November 2026 meeting	4/11/2026
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		
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.	Not applicable for the current financial year	Current auditor was appointed in November 2025	
5.2 Make recommendation to the Council on the scope of work, reports and activities of the external auditor.	November 2026	Refer to the report titled '*Draft Audited Financial Statement 2025/2026*' is included in the agenda of 4 November 2026 meeting	4/11/2026
5.3 Ensure compliance with regulation 22 (1) of the *Local Government (Financial Management) Regulations 2026* 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	Refer to the report titled '*Draft Audited Financial Statement 2025/2026*' is included in the agenda of 4 November 2026 meeting	4/11/2026
5.4 Review the findings of the annual and interim audits with the external auditor.	November 2026 April 2027	Refer to the report titled '*Draft Audited Financial Statement 2025/2026*' is included in the agenda of 4 November 2026 meeting	4/11/2026
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:	November 2026	Refer to the report titled '*Draft Audited Financial Statement 2025/2026*' is	4/11/2026

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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.		included in the agenda of 4 November 2026 meeting	
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	Report titled '*CEO Report – Internal Control Practices & Procedures*' is included in the agenda of 4 November 2026 meeting	4/11/2026
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	Report titled '*CEO Report – Internal Control Practices & Procedures*' is included in the agenda of 4 November 2026 meeting	4/11/2026
7.2 Make recommendation to the Council regarding the appointment of the internal auditor	~~November 2026~~ April 2027		
7.3 Review Internal Audit Reports.	~~April 2027~~ June 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 and review of strategic, financial and operational risks on a regular basis.	annual reporting requirement from a risk management perspective as detailed in the risk mgt framework		

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Draft Audit & Risk Committee Annual Work Program 2026/2027

8.2 Annually review Council's insurance program for adequacy having regard to business and insurable risks associated with Council's business.	~~November 2026~~ February 2027		
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	Refer to the report titled '*Update - Risk Management Framework*' is included in the agenda of 4 November 2026 meeting for an update	
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	Refer to the report titled '*Update - Risk Management Framework*' is included in the agenda of 4 November 2026 meeting for an update	
8.8 Review results of audits and review conducted by Local Government Mutual Liability Scheme	Ongoing		
8.9 Prudential issues associated with GRFMA flood mitigation works	Ongoing		
9. Reviewing any report obtained by the council under section 48(1) - LGA Act 1999 – Section 126 (4) (i)			
9.1 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		

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Draft Audit & Risk Committee Annual Work Program 2026/2027

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 of the Committee	
12.2 Periodic review of finance-related policies.	Ongoing	The following policies are presented for review at the 4 November 2026 meeting • Prudential Management Policy • Procurement Policy • Budget Management Policy	
12.3 Legislative compliance review.	Annual	Refer to the report titled '*Update – Legislative Compliance Review*' is included in the agenda of 4 November 2026 meeting for an update	
13. Other Functions			
13.1 Risk Management of Major Projects.	Ongoing		
13.2 Review of Council's Investments and Borrowings.	August 2026	Report presented to the 12 August 2026 meeting	12/08/2026
13.3 Review of overdue Council rates.	August 2026 February 2027	Report presented to the 12 August 2026 meeting	12/08/2026
13.4 Review of Council's leave liability.	August 2026 February 2027	Report presented to the 12 August 2026 meeting	12/08/2026
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		
13.7 Report on councils' response to ESCOSA recommendations Annually	~~June 2027~~ April 2027		
14. Reporting			
14.1 Ensure progress of the outstanding Audit & Risk Committee resolutions are followed up regularly.	Ongoing	Report titled 'Update – Committee Resolutions' is included in the agenda of 4 November 2026 meeting	

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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	Refer to the report titled '*Audit & Risk Committee Annual Report 2025-2026*' included in the agenda of 4 November 2026 meeting	4/11/2026

CM: D26/36437

7.7 RISK MANAGEMENT - STRATEGIC RISK REGISTER

Record Number: **D26/36166**

Author: **Manager Governance**

Authoriser: **Acting Director Corporate Services**

Attachments: **1. Strategic Risk Register ⇩**

EXECUTIVE SUMMARY

- The purpose of this report is to provide Council's Strategic Risk Register to the Audit and Risk Committee (the Committee) for review.
- This Strategic Risk Register signifies the conclusion of Phase 1 of the Scope of Works regarding the implementation of Council's Risk Management Framework with the Local Government Association Mutual Liability Scheme (LGAMLS). Such Scope of Works was presented to the Committee at the 10 June 2025 meeting (and again at the 3 June 2026 meeting for the Committee's reference).
- The drafting of Council's revised strategic risks has been undertaken, in consultation with LGAMLS, by Council's Executive Management Team (with the assistance of an external consultant).

RECOMMENDATION

"that the Audit and Risk Committee, having considered Item 7.7 – *Risk Management - Strategic Risk Register*, dated 4 November 2026, notes the report and in doing so recommends..."

BUDGET IMPACT

Estimated Cost:	Nil
Future ongoing operating costs:	Nil - Internal resourcing to maintain the Risk Management Framework (recruitment currently underway)
Is this Budgeted?	Not applicable

RISK ASSESSMENT

As a member of the Local Government Association Mutual Liability Scheme (LGAMLS), Council is bound by the Scheme Rules (LGAMLS Scheme Rules (gazetted July 2020)), which include an obligation to ensure that adequate risk management and prevention strategies are put in place so as to absolutely minimise the risk of any incident, circumstance or matter that may give rise to a claim.

DETAILED REPORT

Purpose

The purpose of this report is to provide Council's Strategic Risk Register to the Audit and Risk Committee (the Committee) for review.

Background

Council employees, in consultation with the Local Government Association Mutual Liability Scheme (LGAMLS), have been completing a Scope of Works for the implementation of Council's Risk Management Framework. The Scope of Works was presented to the Committee at the 10 June 2025 meeting (and again to the 3 June 2026 meeting for the Committee's reference).

The Committee was last provided an update on the implementation of Council's Risk Management Framework at the 12 August 2026 meeting (another update is included as an additional report in this agenda).

Discussion

This Strategic Risk Register signifies the conclusion of Phase 1 of the LGAMLS Scope of Works and is presented as **Attachment 1** to this report.

The drafting of Council's revised strategic risks has been undertaken, in consultation with LGAMLS by Council's Executive Management Team (with the assistance of an external consultant).

Notably, the Strategic Risk Register is an ongoing, everchanging working document and will continue to be updated accordingly.

Future reporting on Council's strategic risks, and this register, will be in accordance with Council's Risk Management Framework i.e., annually (unless otherwise required by the Framework e.g., extreme/high risk ratings to each meeting, as required).

Conclusion

It is now for the Committee to review the Strategic Risk Register and provide feedback.

References

Legislation

Local Government Act 1999
LGAMLS Scheme Rules (gazetted July 2020)

Council Policies/Plans

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

Risk report

30/10/2026
Risk Assessment Type: Corporate
Risk Type: All
Risk Category: All

Risk ID	Risk Title	Description	Initial Risk Score	Initial Risk Comments	Residual Risk Score	Residual Risk Comments	Risk Category	Control Details	Review Notes	Control Effectiveness
390652	Ineffective Governance	Council may fail to deliver its internal governance environment. Council relies on robust governance to support decision-making and effective policy implementation ensuring accountability at all levels. External and internal factors may pose risks to Council's governance frameworks, while Council's operating environment is characterised by ongoing changes. Council is committed to maintaining resilience, and upholding high standards of accountability. Ineffective governance may lead to reactive/inconsistent decision-making which may result in operational inefficiencies, long-term sustainability challenges, impact organisational culture, legal liability, and reputational damage.	10 (High) 40.00%	Primary risk appetite: Averse towards governance, legal and compliance risks.	10 (High) 40.00%	Outside risk appetite - controls/treatments required.	Governance, Legal & Compliance	Inductions/Training for employees and Council Members (including policies/procedures)		EFFECTIVE (Designed Adequately; Operating Effectively)
								LGA Membership and participation in LGA forums		EFFECTIVE (Designed Adequately; Operating Effectively)
								Embedded culture of transparency and accountability (good governance practices)		PARTIALLY EFFECTIVE (Designed Partially Adequately; Operating Partially Effectively)
								Regular Mayor/CEO liaison	Regular liaison and meetings take place.	EFFECTIVE (Designed Adequately; Operating Effectively)
								Strategic planning & reporting		PARTIALLY EFFECTIVE (Designed Partially Effectively; Operating Partially Effectively)
								Council delegations, sub-delegations and authorisations	Delegations framework and instruments under review.	PARTIALLY EFFECTIVE (Designed Partially Adequately; Operating Partially Effectively)
								Position descriptions		EFFECTIVE (Designed Adequately; Operating Effectively)
								Council reports	Report templates under review.	PARTIALLY EFFECTIVE (Designed Partially Adequately; Operating Partially Effectively)
								Fraud, Corruption, Misconduct and Maladministration Policy	Policy review overdue.	EFFECTIVE (Designed Adequately; Operating Effectively)
								Prudential Management Policy	Policy presented to Audit and Risk Committee 4 November 2026	PARTIALLY EFFECTIVE (Designed Adequately; Operating Partially Effectively)
								Strategic Plan 2025-2028		EFFECTIVE (Designed Adequately; Operating Effectively)
								Audit and Risk Committee		EFFECTIVE (Designed Adequately; Operating Effectively)
								Risk Management Policy and Framework	Implementation of framework ongoing.	PARTIALLY EFFECTIVE (Designed Adequately; Operating Partially Effectively)
								Policy review schedule	Lack of capacity to review on schedule.	PARTIALLY EFFECTIVE (Designed Adequately; Operating Partially Effectively)
390664	Business continuity	Inadequate business continuity and planning, procedures and processes resulting in interruptions or loss of essential services and operations during and following an emergency/disruptive event.	13 (High) 52.00%	Primary risk appetite: Accepting towards service delivery risks.	13 (High) 52.00%		Service Delivery	Emergency Management Committee (internal)		EFFECTIVE (Designed Adequately; Operating Effectively)
								Membership to regional subsidiaries - Northern & Yorke Local Government Association, Gawler River Floodplain Management Authority		EFFECTIVE (Designed Adequately; Operating Effectively)
								Emergency Management Policy		EFFECTIVE (Designed Adequately; Operating Effectively)
								Business Continuity Plan	Due for review.	PARTIALLY EFFECTIVE (Designed Adequately; Operating Partially Effectively)
								Cyber Incident Response Plan	Due for review.	PARTIALLY EFFECTIVE (Designed Adequately; Operating Partially Effectively)

Risk ID	Risk Title	Description	Initial Risk Score	Initial Risk Comments	Residual Risk Score	Residual Risk Comments	Risk Category	Control Details	Review Notes	Control Effectiveness
390689	Strategic planning	Council faces the risk of ineffective strategic planning. Ineffective strategic planning can impact our ability to deliver our high level strategic objectives and long term plans, deliver services and meet community and regulatory needs.	14 (High) 56.00%	Primary risk appetite: Averse towards governance, legal and compliance risks.	9 (Medium) 36.00%	Outside risk appetite - controls/treatments required.	Governance, Legal & Compliance	Strategic Plan 2025-2028		EFFECTIVE (Designed Adequately; Operating Effectively)
								Annual business plan & budgets		EFFECTIVE (Designed Adequately; Operating Effectively)
								Annual reports		EFFECTIVE (Designed Adequately; Operating Effectively)
								Long Term Financial Plan	Draft presented to Council for adoption at 18 November 2026 Ordinary Council Meeting	INEFFECTIVE (Designed Inadequately; Operating PartiallyÀ Effectively)
								Community Engagement Policy	Adopted by Council at 19 August 2026 Ordinary Council Meeting Adopted with further changes at 21 October 2026 Ordinary Council Meeting	EFFECTIVE (Designed Adequately; Operating Effectively)
								Prudential Management Policy	Presented to Audit and Risk Committee at 4 November 2026 Ordinary Meeting	INEFFECTIVE (Designed Partially Adequately; Operating Ineffectively)
								Asset management plans	Summary Asset Management Plan 2026 adopted at 16 September 2026 Ordinary Council Meeting	PARTIALLY EFFECTIVE (Designed Adequately; Operating Partially Effectively)
390707	Financial sustainability	Financial instability affecting our long term planning, ratios and service delivery. The interconnected nature of various risks collectively imposes financial strain on Council. This pressure can impact the organisation's financial performance and long-term viability, ultimately influencing its capacity to effectively serve the community or deliver on objectives of the strategic plans.	13 (High) 52.00%	Primary risk appetite: Cautious towards financial risks.	9 (Medium) 36.00%		Financial	Inductions/Training/Refreshers for employees and Council Members (including policies/procedures)		EFFECTIVE (Designed Adequately; Operating Effectively)
								Long Term Financial Plan	Draft presented to Council for adoption at 18 November 2026 Ordinary Council Meeting	INEFFECTIVE (Designed Adequately; Operating Ineffectively)
								Grants applications		PARTIALLY EFFECTIVE (Designed Partially Adequately; Operating Effectively)
								Quarterly budget revisions		EFFECTIVE (Designed Adequately; Operating Effectively)
								Annual financial audit		EFFECTIVE (Designed Adequately; Operating Effectively)
								Strategic asset management plans	Summary Asset Management Plan 2026 adopted at 16 September 2026 Ordinary Council Meeting	PARTIALLY EFFECTIVE (Designed Partially Adequately; Operating Partially Effectively)
								Annual business plan and budgets		EFFECTIVE (Designed Adequately; Operating Effectively)
								Annual financial reporting		EFFECTIVE (Designed Adequately; Operating Effectively)
								Audit and Risk Committee		EFFECTIVE (Designed Adequately; Operating Effectively)
								Strategic Plan 2025-2028		PARTIALLY EFFECTIVE (Designed Adequately; Operating Partially Effectively)
								Financial forecasting		EFFECTIVE (Designed Adequately; Operating Effectively)
								Budget Management Policy	Report presented to Audit and Risk Committee on 4 November 2026	PARTIALLY EFFECTIVE (Designed Partially Adequately; Operating Partially Effectively)
								Prudential Management Policy	Presented to Audit and Risk Committee at 4 November 2026 Ordinary Meeting	PARTIALLY EFFECTIVE (Designed Adequately; Operating Partially Effectively)
								Rating Policy	Due for review 2027	EFFECTIVE (Designed Adequately; Operating Effectively)
								Training and Development Policy for Council Members	Due for review 2027	EFFECTIVE (Designed Adequately; Operating Effectively)

Risk ID	Risk Title	Description	Initial Risk Score	Initial Risk Comments	Residual Risk Score	Residual Risk Comments	Risk Category	Control Details	Review Notes	Control Effectiveness
390708	Community expectations	Council faces the risk of inadequately identifying, understanding, and responding to the evolving needs and expectations of the community. Operating in a dynamic environment, Council must continually adapt to changing demographics, preferences, and priorities. Increasing expectations for transparency, engagement, and responsiveness from residents requires Council to actively listen and respond effectively. Failure to do so could result in a misalignment between Council initiatives and community needs, leading to dissatisfaction and a potential erosion of public trust.	17 (High) 68.00%	Primary risk appetite: Accepting towards service delivery risks.	12 (High) 48.00%		Service Delivery	Strategic plans including, but not limited to, Long Term Financial Plan and asset management plans		EFFECTIVE (Designed Adequately; Operating Effectively)
								Annual Business Plan & Budget		EFFECTIVE (Designed Adequately; Operating Effectively)
								Grant applications		PARTIALLY EFFECTIVE (Designed Partially Adequately; Operating Effectively)
								Public Consultation Policy	Revoked and replaced with Community Engagement Policy	PARTIALLY EFFECTIVE (Designed Adequately; Operating Partially Effectively)
								Consultation website - Shape APC		EFFECTIVE (Designed Adequately; Operating Effectively)
								Community Requests, Complaints and Feedback Policy	Currently under review	EFFECTIVE (Designed Adequately; Operating Effectively)
								Growth Strategy		PARTIALLY EFFECTIVE (Designed Partially Adequately; Operating Partially Effectively)
								Strategic Plan 2025-2028		EFFECTIVE (Designed Adequately; Operating Effectively)
								Waste Management Policy	Due for review	PARTIALLY EFFECTIVE (Designed Adequately; Operating Partially Effectively)
								Community Engagement Policy	Adopted by Council at 19 August 2026 Ordinary Council Meeting Adopted with further changes at 21 October 2026 Ordinary Council Meeting	EFFECTIVE (Designed Adequately; Operating Effectively)
390710	Asset management	Council manages a diverse and extensive asset portfolio, posing challenges for effective oversight. Limited financial capacity hampers funding for maintenance and upgrades, while inflation increases costs for asset renewal, compromising asset condition, service delivery, and long-term sustainability.	18 (Extreme) 72.00%	Primary risk appetite: Cautious towards assets and infrastructure management risks.	13 (High) 52.00%	Outside risk appetite - additional controls/treatments required.	Assets & Infrastructure	Grants applications		PARTIALLY EFFECTIVE (Designed Partially Adequately; Operating Effectively)
								Inductions/Training/Refreshers for employees and Council Members (including policies/procedures)		PARTIALLY EFFECTIVE (Designed Partially Adequately; Operating Partially Effectively)
								Strategic Plan 2025-2028		EFFECTIVE (Designed Adequately; Operating Effectively)
								Membership to regional subsidiaries - Northern & Yorke Local Government Association, Gawler River Floodplain Management Authority		EFFECTIVE (Designed Adequately; Operating Effectively)
								Asset management plans: Strategic Asset Management Plan 2021, Transport/Open Space/Buildings and Land/Stormwater/CWMS Infrastructure Asset Management Plans 2021	Summary Asset Management Plan 2026 adopted.	EFFECTIVE (Designed Adequately; Operating Effectively)
								Condition assessments		EFFECTIVE (Designed Adequately; Operating Effectively)
								Asset valuations/inventory		EFFECTIVE (Designed Adequately; Operating Effectively)
								Asset data management system		EFFECTIVE (Designed Adequately; Operating Effectively)
								External audit reporting (ESCOSA)		EFFECTIVE (Designed Adequately; Operating Effectively)
								Annual business plan and budgets		PARTIALLY EFFECTIVE (Designed Partially Adequately; Operating Partially Effectively)
								Community Requests, Complaints and Feedback Policy	Currently under review	EFFECTIVE (Designed Adequately; Operating Effectively)
								Infrastructure, environment and waste policies	Due for review	EFFECTIVE (Designed Adequately; Operating Effectively)

Risk ID	Risk Title	Description	Initial Risk Score	Initial Risk Comments	Residual Risk Score	Residual Risk Comments	Risk Category	Control Details	Review Notes	Control Effectiveness
391192	Rapid growth	Council faces the risk of being unprepared for substantial growth over the next 5-10 years. Rapid growth could lead to inadequate infrastructure, service delivery, and resource management. Council may encounter significant challenges in planning, funding, and implementing sustainable liveable growth strategies, including increased demand for housing, businesses, transportation, utilities, and community services. Failure to effectively plan for and manage this growth could result in diminished community wellbeing, increased service congestion, environmental degradation, and strains on existing assets, exposing Council to reputational and operational liabilities.	21 (Extreme) 84.00%	Primary risk appetite: Accepting towards growth and prosperity risks.	8 (Medium) 32.00%		Growth & Prosperity	Annual business plans and budgets		EFFECTIVE (Designed Adequately; Operating Effectively)
								Long Term Financial Plan	Draft presented to Council for adoption at 18 November 2026 Ordinary Council Meeting	PARTIALLY EFFECTIVE (Designed Adequately; Operating Partially Effectively)
								Strategic Plan 2025-2028		EFFECTIVE (Designed Adequately; Operating Effectively)
								Business, community and stakeholder engagement		PARTIALLY EFFECTIVE (Designed Partially Adequately; Operating Partially Effectively)
								Asset management plans	Summary Asset Management Plan 2026 adopted at 16 September 2026 Ordinary Council Meeting	PARTIALLY EFFECTIVE (Designed Adequately; Operating Partially Effectively)
								Community Engagement Policy	Adopted by Council at 19 August 2026 Ordinary Council Meeting Adopted with further changes at 21 October 2026 Ordinary Council Meeting	EFFECTIVE (Designed Adequately; Operating Effectively)
								Civic Centre investigation study		EFFECTIVE (Designed Adequately; Operating Effectively)
								Open Space Strategy 2016		PARTIALLY EFFECTIVE (Designed Adequately; Operating Partially Effectively)
								Coastal Adaptation Strategy 2016		PARTIALLY EFFECTIVE (Designed Adequately; Operating Partially Effectively)
								Two Wells Walking Cycling Plan		PARTIALLY EFFECTIVE (Designed Adequately; Operating Partially Effectively)
								Growth Strategy		PARTIALLY EFFECTIVE (Designed Adequately; Operating Partially Effectively)
								Tourism & Economic Development Strategy		PARTIALLY EFFECTIVE (Designed Adequately; Operating Partially Effectively)
391193	Environmental impacts	Council faces the risk that natural disasters, severe weather events, inadequately managing the environmental impacts of its operations and projects, or other emergency events may result in environmental harm, pollution, degradation of natural assets, and adverse impacts on public health. Inadequate mitigation, preparedness, response, or recovery measures may increase the severity and duration of environmental impacts and a failure to provide a suitable environment for the community.	13 (High) 52.00%	Target risk appetite: Cautious	8 (Medium) 32.00%		Environment	Coastal Hazard Community Emergency Management Plans: for Middle Beach, Parham and Webb Beach		PARTIALLY EFFECTIVE (Designed Adequately; Operating Partially Effectively)
								Property inspections and compliance notices (105F Compliance Notices)		EFFECTIVE (Designed Adequately; Operating Effectively)
								Waste Education Program	Ongoing Budget Allocation in 2026/2027 Budget	PARTIALLY EFFECTIVE (Designed Adequately; Operating Partially Effectively)
								Stormwater management plan		EFFECTIVE (Designed Adequately; Operating Effectively)
								Roadside Vegetation Management Plan		EFFECTIVE (Designed Adequately; Operating Effectively)
								Infrastructure, environment and waste policies	Some due for review.	PARTIALLY EFFECTIVE (Designed Adequately; Operating Partially Effectively)
								Emergency Management Policy		EFFECTIVE (Designed Adequately; Operating Effectively)

7.8 ANNUAL REPORT 2025/2026

Record Number: **D26/49423**

Author: **Chief Financial Officer**

Authoriser: **Chief Executive Officer**

Attachments: **1. Audit & Risk Committee - Annual Report 2025-2026 ⇩**

EXECUTIVE SUMMARY

- The purpose of this report is to present the draft 2025/2026 Annual Report of the Audit and Risk Committee (the Committee) for consideration and endorsement by the Committee members, prior to its adoption by the Council Members at the Ordinary Council meeting scheduled for 18 November 2026.
- Section 126 (8)(b) and (9) of the *Local Government Act 1999* outline that the reporting requirement of the Committee is to prepare an annual report to Council on their work; and that the Committee's annual report be included in Council's annual report.

RECOMMENDATION

"that the Audit and Risk Committee, having considered Item 7.8 – *Annual Report 2025/2026*, dated 4 November 2026, notes the report and recommend to the Council that the Audit and Risk Committee's Annual Report for 2025/2026 Financial Year (presented as Attachment 1 to this report) be adopted and included in Council's Annual Report 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

Nil

DETAILED REPORT

Purpose

The purpose of this report is to present the draft 2025/2026 Annual Report of the Audit and Risk Committee (the Committee) for consideration and endorsement by the Committee members, prior to its adoption by the Council Members at the Ordinary Council meeting scheduled for 18 November 2026.

Background

Council established the Committee pursuant to section 126 of the *Local Government Act 1999* (the Act). The Committee's purpose is to provide independent assurance and advice to Council on matters related to accounting, financial management, internal controls, risk management, and governance.

These requirements are outlined in the Committee's Terms of Reference, which were last reviewed by Council at its meeting on 17 June 2026. According to section 41(8) of the Act, Council has determined through the Terms of Reference the Committee Chairperson will present the Committee's annual report to Council. Additionally, the Committee is responsible for reviewing its own performance to ensure it operates at maximum effectiveness and for recommending any desired changes to Council.

The operating responsibilities of the Committee, as detailed in the Terms of Reference, are incorporated into an annual work plan. This plan ensures that routine tasks and strategic priorities are reviewed throughout the year, providing a foundation for annual reporting.

The Committee's Annual Report from the previous year, along with meeting agendas and minutes, is available on the Council's website. Minutes from each Committee meeting are provided to all Council and Committee members, and recommendations from the Committee are presented at the subsequent Council meeting for consideration and adoption.

Discussion

The Committee met 7 times during the 2025/2026 financial year to fulfil its operating responsibilities as outlined in the annual work plan. This included one special meeting and one reconvened ordinary meeting. The draft Annual Report for 2025/2026, included as **Attachment 1**, outlines the Committee's activities for the period 1 July 2025 to 30 June 2026.

Conclusion

The Committee's annual activities are detailed in the draft Annual Report, covering the period from 1 July 2025 to 30 June 2026, which is presented for consideration and endorsement.

This ongoing commitment to transparency and accountability ensures that Council can effectively address its financial and operational challenges, while the Committee continues to enhance its effectiveness and recommend improvements as needed.

References

Legislation

Local Government Act 1999

Council Policies/Plans

Audit and Risk Committee Terms of Reference

Annual Works Program 2026/2027

Adelaide Plains Council

Audit & Risk Committee

2025/2026

Annual Report

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1. About this report

This report summarises the work of the Audit & Risk Committee (the Committee) during the 2025/2026 Financial Year, in accordance with section 126(8)(b) of the *Local Government Act 1999* (the Local Government Act). It outlines the committee's activities, key discussions, and contributions to enhancing financial governance and risk management within the Council.

2. Committee membership

Member	Position	First Appointed	Expiry of Current Term
Alan Rushbrook	Chairperson & Independent Member	November 2018	30 November 2027
Peter Fairlie-Jones	Independent Member	August 2007	30 November 2027
Peter Scargill	Independent Member	30 November 2023	30 November 2027
Julie Best	Independent Member	15 December 2025	30 November 2027
Mark Wasley	Mayor	28 November 2022	15 December 2025
David Paton	Deputy Mayor	29 November 2024	15 December 2025
Margherita Panella	Council Member	15 December 2025	End of Council term (April 2027)

3. Chairperson's Comments 2025/2026

The Audit & Risk Committee has continued to provide independent oversight and strategic advice to Council on financial governance and risk management, guided by a comprehensive annual work program.

During the year a long-standing member of the committee Mayor Mark Walsley left the committee along with Deputy Mayor David Paton. Council chose to add one more independent member on the committee to provide it with additional expert skills and experience. The Committee welcomed Julie Best to her new role and Councillor Margherita Panella back to the Committee.

Apart from its regular activities, the Committee dedicated attention to several key areas during the year, including:

- **Risk Management Framework**: Following a prolonged period of seeking acceleration and clarity from administration, the Committee notes positive momentum in the development of Council's Risk Management Framework during the second half of 2026. The Committee will continue to monitor this progress to ensure the framework aligns with Council's operational needs.
- **Procurement Review**: At Council's request, the Committee conducted a formal review of a specific procurement transaction. Council was presented with this review, and the Committee will actively monitor the implementation of the report's recommendations.
- **External Audit & Long-Term Financial Planning**: The committee reviewed the appointment process for the new external auditor. Following their appointment the new auditor highlighted the lack of a timely review of Council's Long Term Financial Plan. The committee sought an expedited review.

- **Rating Methodology Transparency**: The Committee expressed concern after discovering an uncommunicated, significant shift in rating methodology within the 2025/2026 Annual Business Plan. To ensure fully informed decision-making, the Committee requested supplementary data be made available to Council. This additional information was delivered to Council, enabling fully informed determinations for the 2026/2027 financial year rates.

4. Our purpose

We were established under sections 41 and 126 of the Local Government Act to provide independent assurance and advice to Council on accounting, financial management, internal controls, risk management, and governance matters.
Our Terms of Reference is available on Council's website: www.apc.sa.gov.au.

5. Committee meetings

We met on 7 occasions this financial year:

- 11 August 2025 – Ordinary meeting
- 25 August 2025 – Reconvened Ordinary meeting
- 12 November 2025 – Ordinary meeting
- 9 February 2026 – Ordinary meeting
- 5 March 2026 – Special meeting
- 1 April 2026 – Ordinary meeting
- 3 June 2026 – Ordinary meeting

Member	No of meetings eligible to attend	No of meetings attended
Alan Rushbrook	7	7
Peter Fairlie-Jones	7	7
Peter Scargill	7	6
Julie Best	4	3
Mayor Mark Wasley	3	1
Cr Margherita Panella	4	4
Deputy Mayor David Paton	3	3

6. Our work program

To ensure we meet the requirements of the Local Government Act and our Terms of Reference, we have developed a work program each year.

Since 1 July 2025, we have considered the following:

11 August 2025 meeting

- Decision Reports
  1. Update - Audit & Risk Committee Annual Works Program 2024/2025
  2. Draft Annual Works Program for 2026/2027 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 – 2026/2027
7. Leave Liability as of 30 June 2025
8. Update – Council Policy Review

- 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 2026/2027
  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
  6. Appointment of External Auditors for 2026/2027 to 2027/2028 Financial Years
  7. Annual Review of Council's Insurance Program 2026/2027

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 2026/2027

- 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

5 March 2026 meeting

- Confidential Reports
  1. Appointment of Consultant - Payble Review

1 April 2026 meeting

- Decision Reports
  1. Options for Establishing Internal Audit Function for the Adelaide Plains Council
  2. Update - Audit & Risk Committee Annual Works Program 2026/2027
  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. 2026/2027 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 - Audit & Risk Committee Annual Works Program 2026/2027
  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. 2026/2027 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

7. Training

During the reporting period, the Chair and an independent member attended the half-day **Beyond Compliance: 2026 Audit & Risk Chairs Forum**, hosted by the Local Government Association of South Australia on Monday, 22 June 2026.

8. Other Matters

Not applicable

9. Appendix

- An update on Committee Work Plan 2025-2026

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	o 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	o Report presented to 9 February 2026 meeting. Please refer to the report titled '*Fixed Assets Revaluation as of 1 July 2025*'	09/02/2026
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	o 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*' o Report titled '*Procurement Policy Exemptions – January – June 2026*' is included in the agenda of 12 August 2026 meeting	09/02/2026 12/08/2026
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	o 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. o Report presented to the 1 April meeting. Please refer to the report titled '*Draft 2026/2027 Budget and 2027–2036 Long Term Financial Plan'.* o 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'.* o Report titled 'Infrastructure and *Asset Management Plan*' is included in the agenda of 12 August 2026 meeting.	01/04/2026 01/04/2026 03/06/2026 12/08/2026
▪ Review of Long-Term Financial Plan (LTFP) ▪ Annual Business Plan (ABP) & Budget	February 2026 April 2026 June 2026	o 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'*. o Report presented to the 1 April meeting. Please refer to the report titled *'Draft 2026/2027 Budget and 2027–2036 Long Term Financial Plan'*.	09/02/2026 01/04/2026 03/06/2026

		o Report presented to 3 June 2026 meeting. Please refer to the report titled *'Draft 2026/2027 Annual Business Plan & Budget*. o Reports titled '*Draft Long Term Financial Plan 2027-2036*" is included in the agenda of 12 August 2026 meeting	12/08/2026
2.2 Monitor and review the effective delivery of these plans.			
▪ Progress update on strategic management plan initiatives ▪ Progress update on infrastructure & assets management plan implementation ▪ Progress update on the achievement of LTFP targets	Ongoing	o Report presented to the 1 April meeting. Please refer to the report titled 'Annual Business Plan Implementation of Actions Progress Update'.	01/04/2026
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	o 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'*. o Report presented to the 1 April meeting. Please refer to the report titled *'Draft 2026/2027 Budget and 2027–2036 Long Term Financial Plan'*. o Report presented to 3 June 2026 meeting. Please refer to the report titled *'Draft 2026/2027 Annual Business Plan & Budget*.	09/02/2026 01/04/2026 03/06/2026
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	o Report presented to the 1 April meeting. Please refer to the report titled *'Draft 2026/2027 Budget and 2027–2036 Long Term Financial Plan'*. o Report presented to 3 June 2026 meeting. Please refer to the report titled *'Draft 2026/2027 Annual Business Plan & Budget*.	01/04/2026 03/06/2026

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	o Report presented to 12 November 2025 meeting. Please refer to the report titled '*Draft Audited Financial Statements 2024/2025*'	12/11/2025
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	o 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. o Report from Morris Forensic is presented at the 3 June 2026 meeting. o Report titled '*Work Plan - Independent Procurement Review*' is included in the agenda of 12 August 2026 meeting	09/02/2026 03/06/2026 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	o 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	o 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 provide	November 2025	o 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

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	o Report presented to 12 November 2025 meeting. Please refer to the report titled '*Draft Audited Financial Statements 2024/2025*'. o 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. o 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	o 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)			
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	o 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	o 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	o 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	o Report presented to 11 August 2025. Please refer to the report titled *'Review - Risk Management Framework'* o Report presented to 12 November 2025. Please refer to the report titled *'Risk Appetite Statement'* o 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	o Report presented to 12 November 2025. Please refer to the report titled *'Annual Review Council's Insurance Program - 2025/2026'*	12/11/2025
8.3 Two Wells Town Centre Project Risk be reassessed throughout the life of the project	Ongoing	o 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	o 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. o 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	o 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	o Report presented to the 10 June meeting. Please refer to the report titled '*Policy review – Risk Management Policy*'. o 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	o Currently working with LGRS and an external consultant to improve risk maturity and develop 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	o Report provided to every meeting	
12.2 Periodic review of finance-related policies.	Ongoing	o 4 policies were presented for review on 12 November 2025 o 1 policy was presented for review on the 9 February 2026 o 2 policies were presented on the 3 June 2026 meeting	12/11/2025 9/2/2026 3/6/2026
12.3 Legislative compliance review.	Ongoing	o 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. o A Legislative Compliance Support Register has been drafted. Review postponed due o 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	o Report presented to 9 February 2026 meeting. Please refer to the report titled *'Financial*	9/2/2026

		Performance For the Period July 2025 to January 2026'	
13.4 Review of Council's leave liability.	February & August 2026	o Report presented to 9 February 2026. o Please refer to the report titled *'Financial Performance For the Period July 2025 to January 2026'* o 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	o Report presented to 1 April 2026 meeting. Please refer to the report title *'Information Technology Update'* o Report titled '*Information Technology Update*' is included in the agenda of 12 August 2026 meeting	1/4/2026 12/08/2026
13.6 Annual Review of Audit & Risk Committee Terms of Reference.	June 2026	o Report presented to 3 June 2026 meeting. o 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	o Report presented to 9 February 2026 meeting. Please refer to the report titled '*Financial Performance For the Period July 2025 to January 2026*' o Report presented to 1 April 2026 meeting. Please refer to the report titled '*2025/2026 Quarterly Budget Reviews*' o 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	o 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	o Report provided to the Council meeting immediately after the Audit & Risk Committee meeting in consultation with the Chair of the Committee	
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	o Report presented to 12 November 2025. Please refer to the report titled *'Annual Report 2024/2025 - Audit & Risk Committee''*	12/11/2025

7.9 DRAFT SCOPE - RATING REVIEW

Record Number: D26/50765

Author: Chief Financial Officer

Authoriser: Chief Executive Officer

Attachments: Nil

EXECUTIVE SUMMARY

- The purpose of this report is to seek guidance from the Audit & Risk Committee (the Committee) on the proposed scope of work for a review of Council's rating strategy (Rating Review).
- As a local government, Adelaide Plains Council must maintain a rating system that supports the efficient and effective delivery of services to the community while ensuring an equitable distribution of rates between current and future ratepayers.
- Accordingly, Council should undertake a comprehensive review of its rating policy and strategy to critically assess the existing rating model and investigate alternative approaches to ensure an equitable distribution of the rating burden.
- Council's most recent comprehensive Rating Review was adopted in March 2021. Since then, the Council district has experienced significant changes affecting its rating environment, including:
- Increased residential growth in Two Wells.
- Significant increases in property valuations across the district.
- The application of a 2.8% rate capping mechanism for eligible ratepayers in both the 2025/2026 and 2026/2027 financial years, limiting increases in rates payable by reference to the rates paid in the preceding financial year.
- Council's current rating strategy comprises;
    - Eight differential rates based on land use.
    - Two service charges: the waste levy and the Community Wastewater Management System service charge; and
    - A fixed charge.

RECOMMENDATION [OPTION 1 – COMPREHENSIVE RATING REVIEW & ANALYSIS OF RATE CAPPING]

"that the Audit & Risk Committee, having considered Item 7.9 – *Draft Scope - Rating Review*, dated 4 November 2026, notes the report and in doing so recommend that:

1. **Council commence a procurement process to engage a suitably qualified external consultant to undertake a review of Council's current rating policy/strategy; and**
2. **that the scope of work for the consultant include, but not be limited to, the following:**
    - **(a) an assessment of Council's current rating policy;**
    - **(b) a comparison with adjoining councils and other relevant South Australian councils within the classification under the Australian Classification of Local Government;**
    - **(c) an assessment of alternative rating methodologies, including their respective advantages and disadvantages;**
    - **(d) a comparison of the minimum rate and fixed charge approaches;**

(e) an assessment of differential rating strategies based on land use;
(f) an assessment of the use of rebates and rate capping;
(g) options for transitioning from rate capping based on actual rate increases to an average rate increase approach.
(h) an assessment of the short-, medium- and long-term financial implications of potential changes for Council and ratepayers.
(i) options for phasing in any changes to the rating system over several years."

RECOMMENDATION [OPTION 2 – ANALYSIS OF RATE CAPPING]

"that the Audit & Risk Committee, having considered Item 7.9 – *Draft Scope - Rating Review*, dated 4 November 2026, notes the report and in doing so recommend that:

1. Council commence a procurement process to engage a suitably qualified external consultant to undertake a review of Council's current rating policy/strategy; and
2. that the scope of work for the consultant include, but not be limited to, the following:
(a) an assessment of Council's current rating policy;
(b) an assessment of the use of rebates and rate capping;
(c) options for transitioning from rate capping based on actual rate increases to an average rate increase approach.
(d) an assessment of the short-, medium- and long-term financial implications of potential changes for Council and ratepayers.
(e) options for phasing in any changes to the rating policy/strategy over several years."

BUDGET IMPACT

Estimated Cost:	The cost of engaging an external consultant is estimated to be between $15,000 and $25,000 for a Rating Review, subject to the outcome of the procurement process.
Future ongoing operating costs:	Not applicable
Is this Budgeted?	No. It is proposed that the required budget allocation be incorporated into the Quarter 1 Budget Review.

RISK ASSESSMENT

The Rating Review is intended to be revenue neutral and is not aimed at increasing Council's overall rates revenue. Rather, its purpose is to assess how the total rates revenue should be distributed among different property types and land uses to achieve a more equitable rating structure.

Accordingly, any reduction in the total rates contribution from one land use category would need to be offset by a corresponding increase in the contribution from one or more other categories, so that the overall rates revenue remains broadly unchanged, subject to any separately approved budget adjustments or changes in the rate base.

The principal risks relate to the equitable distribution of the rates burden, the financial sustainability of Council, community acceptance, compliance with legislative requirements, and the implementation of any changes arising from the review.

Equity and distributional impacts

The review needs to establish whether the current rating structure appropriately distributes the rates burden and how alternative approaches would affect individual properties and ratepayer groups.

Financial sustainability

Any proposed changes must support Council's long-term funding requirements, including service delivery, infrastructure renewal and the financial implications of district growth.

Community acceptance and affordability

The review should identify ratepayers who could experience significant increases, assess affordability implications and provide transparent explanations of the reasons for any proposed changes.

Timing and decision-making

The proposed timeframe for a Rating Review is relatively short. The scope must be achievable without compromising the quality of analysis, appropriate consultation or the opportunity for informed Council consideration.

DETAILED REPORT

Purpose

The purpose of this report is to seek guidance from the Audit & Risk Committee (the Committee) on the proposed scope of work for a review of Council's rating strategy (Rating Review).

Background

There is a legal requirement for Councils to consult with their communities when considering changes to their rating methodology.

Section 151 of the *Local Government Act 1999* provides, in relevant part, as follows;

(5) Before a council—

(a) changes the basis of the rating of any land (including by imposing differential rates on land that has not been differentially rated in the preceding financial year, or by no longer imposing differential rates on land that has been differentially rated in the preceding financial year); or

(b) changes the basis on which land is valued for the purposes of rating; or

(c) changes the imposition of rates on land by declaring or imposing a separate rate, service rate or service charge on any land,

the council must—

(d) prepare a report on the proposed change; and

(e) undertake public consultation.

(6) A report prepared for the purposes of subsection (5)(d) must address the following:

(a) the reasons for the proposed change;

(b) the relationship of the proposed change to the council's overall rates structure and policies;

(c) in so far as may be reasonably practicable, the likely impact of the proposed change on ratepayers (using such assumptions, rate modelling and levels of detail as the council thinks fit);

(d) issues concerning equity within the community, and may address other issues considered relevant by the council.

The last comprehensive Rating Review was adopted by the Council in March 2021. A further review would provide Council with an opportunity to assess whether the current rating structure remains appropriate in light of changes in property values, development and growth, land use and the application of rate capping during the current and previous financial years.

Discussion

- Council's current rating strategy comprises of following elements.
  - eight differential rates based on land use, as summarised below. However, as rates capping is based on the rates paid in the previous financial year, the rate in the dollar and capital

value are used to calculate the rates before capping is applied. Consequently, for properties subject to capping, these factors do not directly determine the actual rates payable by ratepayers.

Land Use Category (LUC)	Rate In the $	Differential	Revenue % by LUC (after rebate)		Rateable Properties % by LUC	
			25/26	26/27	25/26	26/27
1. Residential	0.00323622	100%	59.31	60.13	64	66
2. Commercial	0.00430740	133%	0.34	0.32	0	0
3. Commercial - Other	0.00507762	157%	1.39	1.40	1	1
4. Industry - Light	0.00459543	142%	0.14	0.13	0	0
5. Industry - Other	0.00574428	178%	0.72	0.73	0	0
6. Primary Production	0.00307117	95%	31.67	31.02	24	24
7. Vacant Land	0.00331065	102%	5.16	4.76	10	8
8. Other	0.00324269	100%	1.27	1.49	1	1

- Two service charges: the waste levy and the Community Wastewater Management System service charge; and
- A fixed charge which contributes 18.12% of the rates amount raised in 2026/2027 Financial Year.

➢ Why is a rating review required?

A council should periodically review its rating system to ensure that it remains appropriate for the circumstances of its district and community. Changes that may warrant a review include:

- Changes in the mix of properties, including those arising from residential and commercial development.
- Changes in the range and nature of Council services.
- Significant changes in relative property values between different classes of property.

The L*ocal Government Act 1999* provides councils with flexibility to adopt a rating methodology that reflects the circumstances of their district and community. There is no single rating system that will be appropriate for every council or preferred by all ratepayers. Accordingly, decisions about rating methodologies involve balancing competing considerations and assessing the relative impacts on different ratepayer groups.

Equity considerations include both the relative benefits received from Council services and the capacity of different ratepayers to pay. These considerations may not always align, requiring Council to consider the appropriate balance when assessing alternative rating approaches.

➢ Proposed Rating Review

The proposed Rating Review presents an opportunity for Adelaide Plains Council to assess whether its current rating structure remains equitable, financially sustainable and appropriate for the district's changing circumstances. The review should consider the implications of residential growth, changes in property valuations, the current differential rating structure, fixed and service charges, and the continuation or removal of the 2.8% rate capping mechanism.

Early consideration of the future rating model

Council Members have previously expressed a desire to commence early discussions about Council's future rating model, including options for transitioning away from the rate capping arrangements applied during the 2025/2026 and 2026/2027 financial years.

The Chair of the Committee has also suggested at a previous meeting of the Committee that Council begin considering the 2027/2028 rating model early, using current year rating data and the assistance of an external rating consultant.

An independent review would provide Council with evidence-based analysis and financial modelling to inform these discussions and assess the potential impacts of alternative rating approaches.

Difference Between Rating Review and ABP & Budget

It is important to distinguish the Rating Review from the broader budget process. The Rating Review is principally concerned with who pays what share of Council's rates, whereas the ABP and Budget process determines how much Council needs to collect to deliver its planned services, projects and initiatives.

Draft scope for a comprehensive Rating Review

The Rating Review may include consideration of:

- an assessment of Council's current rating system;
- a comparison with adjoining councils and other relevant South Australian councils within the classification under the Australian Classification of Local Government;
- an assessment of alternative rating methodologies, including their respective advantages and disadvantages;
- a comparison of the minimum rate and fixed charge approaches;
- an assessment of differential rating strategies based on land use;
- an assessment of the use of rebates and rate capping;
- options for transitioning from rate capping based on actual rate increases to an average rate increase approach.
- an assessment of the short-, medium- and long-term financial implications of potential changes for Council and ratepayers.
- options for phasing in any changes to the rating system over several years

The review would not predetermine the outcome of any future Rating Strategy. Rather, it would provide Council with information and modelling to support future Council Member and community consideration.

Procurement of external rating consultant

Subject to the Committee and Council's consideration of the draft scope, procurement of an external rating consultant will be completed before the end of 2026.

The consultant would undertake the Rating Review using relevant 2026/2027 rating data and provide information and modelling to assist Council's consideration of future rating options. The estimated cost is $15,000 to $25,000, subject to the outcome of the procurement process. The required budget allocation would be incorporated into the Quarter 1 Budget Review.

The first Council Member information session on the Rating Review is to take place in January 2027, with a further information session in February 2027. Community engagement of the Rating Review is proposed for March 2027.

Subject to the outcome of the review and the required consultation process, a new Rating Strategy is proposed to be adopted before the April 2027 Council election.

An alternative to a Comprehensive Rating Review – analysis of rate capping

If the Council's primary concern is the rates capping mechanism applied in the 2025/2026 and 2026/2027 Financial Years, and how to transition from capping based on actual rate increases to an average rate increase approach, the focus would be on ensuring that rates are more closely aligned with property valuations, so that properties of similar value pay similar rates.

In this context, adjusting the rebate and fixed charge may not require a comprehensive Rating Review, as it could be argued that these changes would not alter the fundamental basis of rating. Instead, amendments to the Rating Policy, which includes the rebate arrangements, could potentially be undertaken as part of the Annual Business Plan consultation process, without the need for a separate rating review.

This approach could be less costly and would involve analysing the current rebate arrangements and the potential effects of changes to the fixed charge. The findings could then be presented to Elected Members at a workshop, supported by practical examples and options for transitioning towards a more conventional rating approach.

Conclusion

The proposed Rating Review provides an opportunity for Council to assess whether its current rating structure remains equitable, financially sustainable and appropriate in light of changes in property values, residential growth and the application of rate capping. An independent review would provide evidence-based analysis and financial modelling to assist Elected Members in evaluating alternative rating methodologies, including options for transitioning from rate capping based on actual rate increases to an average rate increase approach, and the potential short-, medium- and long-term implications for Council and ratepayers.

Alternatively, if Council's primary concern is the current rate capping mechanism and its future application, a more targeted analysis of the existing capping and rebate arrangements may be a more cost-effective approach than undertaking a comprehensive Rating Review.

Accordingly, the Committee is requested to provide guidance on the proposed scope of the Rating Review, including whether a comprehensive review or a targeted analysis of rate capping would best address Council's priorities. The Committee's guidance will assist Administration in finalising the scope of work and proceeding with the procurement of an external consultant, if required.

References

Legislation

Local Government Act 1999

Council Policies/Plans

Rating Policy
Audit & Risk Committee Annual Works Program 2026/2027

8 REPORTS FOR INFORMATION

8.1 UPDATE - COMMITTEE RESOLUTIONS

Record Number: **D26/36405**

Author: **Accountant**

Authoriser: **Chief Financial Officer**

Attachments: **1. Outstanding Resolutions ⇩**

RECOMMENDATION

"that the Audit & Risk Committee, having considered Item 8.1 – *Update - Committee Resolutions*, dated 4 November 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 5 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 2026/2027

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. Draft Internal Audit Policy and Internal Audit Plan will be presented to February 2027 meeting of the Committee	
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	Agenda	The Prudential Policy has undergone an extensive revision following feedback from the Audit and Risk Committee and Council Management. The revised Draft Project Management Policy, which will replace the Prudential Policy, has been included in the agenda for the Committee's meeting on 4 November 2026.	
03/06/2026	11.1	Council Aged Units Update - Walara Proposal	Refer to confidential minutes	2026/69	Corporate	Ongoing	A report was provided to a special meeting of the Committee held on 3 September 2026 and a further report has been included in the agenda for the Committee's meeting on 4 November 2026.	
12/08/2026	6.4	Draft - Annual Work Program 2026/2027	"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. Move Item 9.1 to become new Item 8.9; 2. Add a new item 'Report on councils response to ESCOSA recommendations' – Annually; and 3. Add 'August 2027' to Item 1.3."	2026/75	Finance	Completed	The requested changes have been added to the Annual Works Program	Aug-26
12/08/2026	7.3	Update - Risk Management Framework	"that Council, having considered Item 7.3 – Update - Risk Management Framework, dated 12 August 2026, notes the report and expresses concern at: 1. The lack of progress towards the maintenance and development of Council's Risk Management Framework; 2. The protracted timeframe for completion of Phase 2 LGAMLS Scope of Works; 3. And in consideration of 1 and 2 above request that Council give consideration to ensuring that adequate resources are provided to progressing the development of Council's Risk Management Framework on a more timely basis, supported by a formal report."	2026/78	Governance	Completed	At the 19 August 2026 Ordinary Council Meeting, Council resolved to allocated additional budget being $169,000 towards resourcing, specifically to resource both Council's risk management and engineering portfolios. Recruitment for both of these positions is currently in progress	

8.2 UPDATE - WORKPLAN - INDEPENDENT PROCUREMENT REVIEW

Record Number: **D26/52045**

Author: **Manager Governance**

Authoriser: **Acting Director Corporate Services**

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

RECOMMENDATION

"that the Audit and Risk Committee, having considered Item 8.2 – *Update - Workplan - Independent Procurement Review*, dated 4 November 2026, notes the report."

Purpose

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

A report addressing paragraph 4 of Committee Resolution 2026/49 was presented to the 12 August 2026 Ordinary Meeting.

Discussion

The workplan to address the recommendations of the Review was 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 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)

An update on Council's progress of the workplan is presented in **Attachment 1**.

Conclusion

This report, and an update on 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	Completed	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	Presented to 4 November 2026 A&R Committee meeting	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	Presented to 4 November 2026 A&R Committee meeting	3, 4, 5, 6
4	Review Procurement Procedure - *Includes a step that contemplates whether the proposed procurement is within budget for each expenditure level*	Remove ambiguity. Avoid informal reallocation of forecast savings	Finance in consultation with Governance	November 2026	Presented to 4 November 2026 A&R	2, 3, 5

	- *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* - *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*				Committee meeting	
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	Presented to 4 November 2026 A&R Committee meeting	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)

8.3 UPDATE - RISK MANAGEMENT FRAMEWORK

Record Number: **D26/36409**

Author: **Manager Governance**

Authoriser: **Acting Director Corporate Services**

Attachments: **Nil**

RECOMMENDATION

"that the Audit and Risk Committee, having considered Item 8.3 – *Update - Risk Management Framework*, dated 4 November 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 12 August 2026 meeting. At such meeting, the Committee resolved as follows:

> ***COMMITTEE RESOLUTION 2026/78***
>
> ***Moved: Mr Rushbrook***
>
> ***Seconded: Ms Best***
>
> ***"that Council, having considered Item 7.3 – Update - Risk Management Framework, dated 12 August 2026, notes the report and expresses concern at:***
>
> ***1. The lack of progress towards the maintenance and development of Council's Risk Management Framework;***
>
> ***2. The protracted timeframe for completion of Phase 2 LGAMLS Scope of Works;***
>
> ***3. And in consideration of 1 and 2 above request that Council give consideration to ensuring that adequate resources are provided to progressing the development of Council's Risk Management Framework on a more timely basis, supported by a formal report."***
>
> ***CARRIED***

Council administration then presented a report to Council detailing the advice of the Committee at the 19 August 2026 Ordinary Council Meeting. As a result, Council resolved as follows:

> ***RESOLUTION 2026/293***
>
> ***Moved: Councillor Panella***
>
> ***Seconded: Councillor Bombardieri***
>
> ***"that Council, having considered Item 15.2 – Resourcing - Risk and Engineering, dated 19 August 2026, notes the report and in doing so:***
>
> ***1. acknowledges that Council's Audit and Risk Committee has, on 2 separate occasions, adopted resolutions that talk to the need to adequately resource Council's risk management portfolio; resourcing which, if not afforded, exposes Council to significant risk;***
>
> ***2. acknowledges the burgeoning workload that continues to heap pressure on Council's engineering portfolio, namely Liberty tranche 2 and 3 and Gracewood, and notes the significant financial risks and exposure that arises should this workload not be adequately resourced;***

3. in consideration of 1 and 2 above, and in noting Council's forecast operating position for 2026/2027, coupled with the added income in the development assessment budget line which will effectively double overall projected income, Council allocates an additional $169,000 towards resourcing in the 2026/2027 financial year, specifically to resource notable gaps identified across both Council's risk management and engineering portfolios;

4. instructs the Chief Executive Officer to allocate the appropriate monetary amount in the 2027/2028 Annual Business Plan and Budget for the two positions identified herein."

CARRIED UNANIMOUSLY

Discussion

Timetable for completion of tasks

In accordance with Council resolution 2026/293, recruitment is currently underway.

Council administration are hopeful that recruitment and induction will be completed by late 2026 which will enable the required focus on Council's risk management portfolio.

Such resourcing will now enable the responsibility of risks to sit with a centralised owner and keep the implementation of the Risk Framework on track. Accordingly, an updated timetable for completion of tasks is presented as follows:

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

Risk Appetite

Council will review the Risk Appetite statements (due November 2026) upon completion of the recruitment and onboarding process and will provide a report detailing the findings of the review to the Committee upon competition.

Strategic Risk

A separate report to this agenda addresses Council's Strategic Risk Register.

A collaborative approach between Council employees and Council Members was undertaken for the Strategic Risk Register 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.

All 8 Strategic Risks have been reviewed by the risk owners with regard given to the risk appetite statements.

Council employees will review the strategic risk register (annually) and report accordingly to the Committee. Such proactive process will identify opportunities to ensure Council achieves its strategic objectives whilst recording and managing its risks.

Conclusion

This report is presented for the Committee's information.

References

Legislation
Local Government Act 1999

Council Policies/Plans
Risk Management Policy
Risk Management Framework (Internal document only)
Risk Appetite Statements

8.4 UPDATE - COUNCIL POLICY REVIEWS

Record Number: **D26/36413**

Author: **Manager Governance**

Authoriser: **Acting Director Corporate Services**

Attachments: **Nil**

RECOMMENDATION

"that the Audit and Risk Committee, having considered Item 8.4 – *Update - Council Policy Reviews*, dated 4 November 2026, notes the report."

Purpose

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

Discussion

Council has 56 adopted public policies available on our website: https://www.apc.sa.gov.au/our-council/documents/policies-procedures-by-laws. Members will note this figure does not include any codes of practice, codes of conduct, procedures, the mandatory Behavioural Standards for Council Members or Behavioural Management Policy.

Council has an ongoing focus on its governance and policy framework. We particularly focus on and ensure that mandatory policies are legislatively complainant and current. Council currently has 12 policies overdue for review, 2 of those being mandatory polices that are currently under review.

Table: Council policies as at 27 October 2026

	Policy	Adopted by Council	Due for review	Department
1	Council Members Allowances and Benefits Policy	2023	2026	Corporate Services
2	Communication Policy	2024	2026	Corporate Services
3	Council Member Acceptable Use of Information Technology Policy	2026	2027	Corporate Services
4	Information Management Policy	2024	2026	Corporate Services
5	Mayor Seeking Legal Advice	2024	2027	Corporate Services
6	Council Members Training & Development Policy*	2024	2027	Corporate Services
7	Event Management Policy	2017	2020	Development & Community
8	Safe Environment for Children & Vulnerable People Policy*	2024	2029	Development & Community

9	Volunteer Management Policy	2018	2020	Development & Community
10	Waiving Administrative and Development Application Fees for Community Groups Policy	2019	2021	Development & Community
11	Caretaker Policy*	2026	2031	Corporate Services
12	Community Engagement Policy*	2026	2028	Corporate Services
13	Community Requests, Complaints & Feedback Policy	2024	2026**	Corporate Services
14	Emergency Management Policy	2025	2028	Corporate Services
15	Fraud, Corruption, Misconduct and Maladministration Prevention Policy	2023	2025	Corporate Services
16	Use of Artificial Intelligence Policy	2026	2027	Corporate Services
17	Human Resource Management Policy	2023	2026**	Corporate Services
18	Lease & License for Community Land and Building Policy	2022	2024**	Corporate Services
19	Media Policy	2025	2027	Corporate Services
20	Risk Management Policy*	2025	2027	Corporate Services
21	Prudential Management Policy*	2022	2024**	Corporate Services
22	Social Media Policy	2026	2028	Corporate Services
23	Enforcement Policy	2019	2021**	Development & Community
24	Legacy Development Applications Policy	2024	2027	Development & Community
25	Mobile Food Vendor Policy	2023	2025**	Development & Community
26	Order Making Policy*	2024	2034	Development & Community
27	Road and Public Places Naming Policy*	2025	2027	Development & Community
28	Budget Management Policy	2024	2026**	Finance
29	Cemeteries Policy	2017	2019**	Finance
30	Council Vehicle Policy*	2021	2022**	Finance
31	Credit Card Policy	2025	2027	Finance
32	Disposal of Land & Other Assets Policy*	2024	2026**	Finance

33	Financial Hardship Policy	2025	2027	Finance
34	Funding Policy	2026	2028	Finance
35	Infrastructure, Property, Plant & Equipment Accounting Policy	2026	2028	Finance
36	Internal Financial Controls	2025	2027	Finance
37	Procurement Policy*	2024	2026**	Finance
38	Rates Arrears and Debtor Management Policy	2025	2026	Finance
39	Rating Policy	2026	2027	Finance
40	Travel & Hospitality Expenditure Policy	2026	2027	Finance
41	Treasury Management Policy	2025	2027	Finance
42	Asset Management Policy	2025	2027	Infrastructure & Environment
43	Borrow Pits Policy	2025	2027	Infrastructure & Environment
44	Community Wastewater Management System Policy	2025	2027	Infrastructure & Environment
45	CWMS Customer Service Charter Policy	2025	2027	Infrastructure & Environment
46	Land Under Roads Policy	2021	2026**	Infrastructure & Environment
47	Light Fleet, Plant and Heavy Vehicles Replacement Policy	2021	2023**	Infrastructure & Environment
48	Private Works Policy	2025	2027	Infrastructure & Environment
49	Reserve Development Policy	2010	2013**	Infrastructure & Environment
50	Resident Contribution to Road Sealing Policy	2025	2027	Infrastructure & Environment
51	Rural Property Addressing Policy	2025	2027	Infrastructure & Environment
52	Vegetation Management Policy	2025	2027	Infrastructure & Environment
53	Vehicle Crossover Policy	2025	2027	Infrastructure & Environment
54	Verge Landscaping and Maintenance Policy	2025	2027	Infrastructure & Environment

55	Waste and Recycling Services Policy	2014	2026**	Infrastructure & Environment
56	Water and Sewerage Services Hardship Policy	2025	2027	Infrastructure & Environment

* Legislative requirement
** Currently under review

Note: Governance is working with each department to assist with reviewing overdue policies.

As a quick snapshot summary of the above table:

Table: Status of Council policies per department as at 27 October 2026

Department	Total	Overdue	Under review
Corporate Services	18	3	4
Finance	14	2	5
Development & Community	9	5	2
Infrastructure & Environment	15	2	4
Total	**56**	**12**	**15**

Conclusion

Council administration remain committed to getting Council policies up to date and ensuring that they reflect current practice and compliance with legislation.

8.5 UPDATE - LEGISLATIVE COMPLIANCE REVIEW

Record Number: D26/36167

Author: Manager Governance

Authoriser: Acting Director Corporate Services

Attachments: 1. Legislative Compliance Register - Local Government (Elections) Act ⇩

RECOMMENDATION

"that the Audit and Risk Committee, having considered Item 8.5 – *Update - Legislative Compliance Review* , dated 4 November 2026, notes the report."

Purpose

The purpose of this report is to provide the Audit and Risk Committee (the Committee) with an update on item 12.3 (Legislative compliance review) of the Committee's Annual Works Program for 2026/2027.

Background

The last update on Council's legislative compliance review was provided to the Committee at the 7 April 2025 Ordinary Meeting. Such report detailed that Council's governance employees intended to undertake the review and report process to the Committee with quarterly information reports.

Such review intended to use the legislative compliance resources provided by the Local Government Authority of South Australia (LGA), with governance working with relevant stakeholders to undertake a legislative compliance audit.

The compliance audit was proposed for the 22 legislative instruments.

Discussion

As detailed in the report presented to 7 April 2025, a process to ensure Council is, and remains, legislative compliant has already commenced. We have undertaken a legislative audit for our annual report, annual business plan and budget. We also complete regular reviews of other legislative obligations through day-to-day governance functions.

Unfortunately, lack of capacity within Council administration over the last 12+ months has meant that the formal audit planned to be completed over 2025/2026 did not take place. However, Council administration is still committed to completing a review.

Council administration has compiled resources from the LGA to create Legislative Compliance Register. Information within the register will be read in conjunction with Council's Delegations Register (https://www.apc.sa.gov.au/our-council/documents/registers/delegations-register) to cross check responsibilities based on the legislative obligation. Reference will also be made to the current version of the legislation.

To ensure the proposed exercise is manageable in addition to the ordinary workload of Council administration, we now intend that each year different pieces of legislation are selected from the list of Acts that Council must comply with and a review is undertaken of Council's compliance with that legislation.

This year, the Local Government (Elections) Act will be the focus of the legislative compliance review, with Council employees first performing a self-assessment using the Legislative Compliance Register, presented as **Attachment 1**.

This review is intended to be completed before the general election in April 2027.

Ongoing, it is intended that the legislative compliance review form part of the internal audit program.

Conclusion

This report is provided for the Committee's information.

References

Legislation

Local Government Act 1999

Council Policies/Plans

Committee Annual Work Program 2026/2027

Local Government (Elections) Act 1999											
Section	**Topic**	**Requirement**	**Review Frequency**	**Method**	**Practical Considerations**	**Review Date**	**Review Notes**	**Action Req'd Y/N**	**Responsible Officer**	**Action Summary**	**Due Date**
6(2)(b)(iv)	Supplementary election	[*Optional*] The council may adopt a policy that it will not fill such a casual vacancy or vacancies until the next general election.	Although this policy is optional, councils should give consideration to whether or not to adopt such a policy, as soon as practicable after any periodic election.	N/A.	If a policy is in place and is relied upon as the basis not to fill a casual vacancy, note that the policy cannot be revoked or altered to later require that vacancy to be filled (section 6(4)).						
8	Failure or avoidance of supplementary election	If a supplementary election fails, is declared void, or does not result in all vacancies being filled, the council must appoint one or more eligible persons to the vacant office(s).	Must occur following any supplementary election that fails to fill one or more vacancies.	Ensure the council appoints a legible person(s).	These circumstances are rare, but where they occur, they impose a positive obligation on the council to act in accordance with this section.						
12(b)	Responsibilities of returning officer and councils	The council is responsible for providing information, education and publicity to promote public participation in electoral processes within its area, as well as in other relevant matters.	In advance of all elections, including supplementary elections.	Undertake activities of the nature specified for the purposes of promoting public participation in the electoral processes.	There are no specific activities prescribed by the legislation for compliance with this section. However, activities will generally include printed advertising and social media campaigns. Note that ECSA also performs a similar function under section 13A(1). Councils should ensure that any promotional material they prepare clearly reflects the different status of automatically enrolled electors compared with those who are required to apply for enrolment.						
13A(2)	Information, education and publicity for general election	In any year in which a periodic election is held, the council must, between 1 January and the close of the roll, inform potential electors within its area who are not automatically enrolled of the requirement to apply for enrolment on the voters roll in accordance with the community engagement charter.	Must occur each periodic election year between 1 January and close of the roll.	Ensure information is provided to potential electors.	The legislation does not prescribe a specific method for informing potential electors. Appropriate methods may include direct mailouts, printed advertising and social media campaigns.						
14(3c)	Qualifications for enrolment	If an application for enrolment for an area or ward is received by the chief executive officer, the chief executive officer must enrol the applicant unless one of the prescribed exceptions apply.	Upon receiving an application.	Ensure chief executive officer enrols applicant.	This obligation rests with the chief executive officer. Before declining enrolment on the basis that a person is not entitled to be enrolled under section 14(3c)(b)(i), reasonable inquiries should be undertaken. Note the definition of 'designated person' in relation to applications made by a body corporate or group of persons for enrolment.						

Local Government (Elections) Act 1999											
Section	**Topic**	**Requirement**	**Review Frequency**	**Method**	**Practical Considerations**	**Review Date**	**Review Notes**	**Action Req'd Y/N**	**Responsible Officer**	**Action Summary**	**Due Date**
15(1)	Voters roll	The chief executive officer is responsible for the maintenance of a voters roll for the council area.	Ongoing.	Ensure chief executive officer maintains voters roll.	This obligation rests with the chief executive officer. The voters roll must be updated whenever new relevant information is received, including information provided by ECSA. The obligation to maintain the voters roll is ongoing throughout the year, although workload will vary at different times. Note, the voters roll includes all electors, including those enrolled by virtue of their inclusion on the House of Assembly roll and those who have applied for enrolment. The voters roll may be maintained in separate components (e.g., a separate House of Assembly roll file), however councils should note that all such components together constitute the official voters roll. It is acceptable to keep the voters roll in separate documents (eg, House of						
15(2)(d)	Voters roll	The chief executive officer must determine the manner and form in which an elector may nominate an additional address for the service of postal voting papers.	Ongoing.	Ensure chief executive officer determines manner and form for application.	This obligation rests with the chief executive officer. The legislation does not prescribe a specific method; the process may, for example be facilitated through an online form or by email. This provision applies only where an elector seeks to nominate an address for the service of voting papers that is different from the address of their place of residence or rateable property by virtue of which they are entitled to be enrolled. Information on how to nominate an additional address may be included in promotional materials and election campaigns.						
15(4)	Voters roll	If the chief executive officer is satisfied that an elector's residential address is suppressed on the ECSA roll, the chief executive officer must also suppress that address on the voters roll.	Ongoing.	Ensure chief executive officer suppresses address where address is suppressed from ECSA roll.	This obligation rests with the chief executive officer.						
15(14)	Inspection of voters roll	The council must ensure that copies of the voters roll are available for public inspection, free of charge at the council's principal office.	Ongoing.	Ensure copies of the roll are available for inspection.	Electronic or hard copy (or both) is acceptable.						
15(15)	Provision of voters rolls to candidates	If requested by a candidate, between the close of nominations and polling day for an election in which they are a candidate, the council must provide a copy of the voters roll.	During period between close of nominations and polling day.	Ensure a copy of voters roll is provided to candidate on request.	Electronic or hard copy (or both) is acceptable. Note, first copy is free, subsequent copies requires payment of any fees fixed by the council. Councils should ensure the copy provided is the version with relevant names suppressed.						

Local Government (Elections) Act 1999											
Section	**Topic**	**Requirement**	**Review Frequency**	**Method**	**Practical Considerations**	**Review Date**	**Review Notes**	**Action Req'd Y/N**	**Responsible Officer**	**Action Summary**	**Due Date**
15(16)	Voters roll	The chief executive officer must provide the returning officer with sufficient certified copies of the voters roll for use at an election or poll.	Period of election or poll.	Ensure the chief executive officer provides copies of certified voters roll to returning officer.	This obligation rests with the chief executive officer. The roll may only be certified once it has been finalised. For clarity, it is the complete roll comprising both House of Assembly electors and persons who have applied for enrolment that must be certified, not solely the list of applicants for enrolment.						
70(3)	Procedure upon petition	If the council is served with a petition seeking to invalidate an election, it must lodge a reply with the Court of Disputed Return within 14 days, but only if it intends to contest the petition.	Upon being served with a petition.	Lodge reply to petition of proposing to contest the petition in accordance with section 70(4.)	Note the time limit of 14 days. Legal advice should be sought with respect to any petition. The council can also intervene in proceedings under section 75.						
91A	Conduct of council during election period	The council must prepare and adopt a caretaker policy governing the conduct of the council and its staff during the election period for a general election.	Ongoing.	Ensure the council has adopted a caretaker policy.	The ordinary start of the caretaker period is the close of nominations. If a council specifies an earlier commencement date in its caretaker policy, that earlier date becomes the statutory start of the caretaker period for that council. All statutory consequences, including the potential invalidity of decisions, apply in full throughout the extended period. In accordance with subclause 3(4) of Schedule 1 of the Local Government (Elections) (Periodic Elections) Amendment Act 2026, if a council had commenced their caretaker period in accordance with its caretaker policy prior to 2 July 2026 (in preparation for the cancelled 2026 periodic elections), the caretaker period for that council is taken to have concluded on that date.						
91B(1)	Public meeting	The council must hold at least one meeting involving any candidates who wish to participate and members of the public, to discuss community issues relevant to the election and to inform the public of candidates' policies and views, unless the council's caretaker policy provides that such a meeting will not be held.	During the period between the close of nominations and before polling day for a general election.	Organise a meeting with any candidates who wish to participate and members of the public.	There legislation does not prescribe a specific format for meetings of this kind. Such a meeting may be conducted remotely using audio visual technology and does not require the physical presence of candidates or members of the public. The meeting must be chaired by the chief executive officer or a person appointed by the chief executive officer.						

Local Government (Elections) Act 1999										
Section	**Topic**	**Requirement**	**Review Frequency**	**Method**	**Practical Considerations**	**Review Date**	**Review Notes**	**Action Req'd Y/N**	**Responsible Officer**	**Action Summary**	**Due Date**
91B(4)	Public Meeting	If the council determines not to hold a public meeting as provided for in section 91B(1) it must: •Specify in its Caretaker Policy that a public meeting will not be held; and •include in that policy a statement certified by the principal member outlining the council's reasons for not holding the meeting.	Ongoing.	Ensure Caretaker Policy contains provision regarding public meeting and certified statement of reasons if council determines not to hold public meeting.	When deciding not to hold a public meeting, the council must document its reasons so that they can be included in the Caretaker Policy and certified by the principal member. The Act does not prescribe the reasons a council may rely on in making this determination, leaving this to the council's discretion.						

8.6 UPDATE - DRAFT LONG TERM FINANCIAL PLAN 2026-2035

Record Number: **D26/50850**

Author: **Chief Financial Officer**

Authoriser: **Chief Executive Officer**

Attachments:
1. **Public Submissions** ⇩
2. **Draft - Long Term Financial Plan 2026-2035 (Released for Public Consultation)** ⇩

RECOMMENDATION

"that the Audit & Risk Committee, having considered Item 8.6 – *Update - Draft Long Term Financial Plan 2026-2035*, dated 4 November 2026, notes the progress of public consultation on the draft Long Term Financial Plan 2026–2035."

Purpose

The purpose of this report is to update the Audit & Risk Committee (the Committee) on the progress of the draft Long-Term Financial Plan 2026–2035 contained in **Attachment 2** (draft LTFP), including the submissions received during the public consultation period (**Attachment 1**), proposed amendments to the draft LTFP, and the next steps following the conclusion of the consultation period.

Background

The first draft of the LTFP was presented to the Committee at its meeting on 12 August 2026 to obtain feedback before the Plan was presented to Council for endorsement for public consultation. This draft was developed based on the following key assumptions:

- all three major capital projects would be fully funded through government grants;
- estimated receipts from the TWTC development project would be realised as planned; and
- new properties would be created in line with forecast growth over the 10-year planning period.

Following consideration of the draft LTFP, the Committee resolved to request a further report addressing capital contributions to major new projects, scenario analysis for lower development growth, and a reassessment of the income expected from the TWTC development project.

COMMITTEE RESOLUTION 2026/73

Moved: Mr Rushbrook

Seconded: Mr Fairlie-Jones

"that the Audit & Risk Committee, having considered Item 6.2 – Draft - Long Term Financial Plan 2026-2035, dated 12 August 2026, request the Chief Executive Officer bring a further report back to the Committee which will include:

1. ***Capital contribution to major new projects;***
2. ***Scenario analysis for lower development growth; and***
3. ***Reconsideration of Two Wells Town Centre income;***

in the draft 2026-2035 Long Term Financial Plan."

CARRIED

In response to Committee **Resolution 2026/73**, further analysis was undertaken to assess the financial sustainability of the draft LTFP under alternative assumptions relating to capital contributions, development growth and anticipated income from the TWTC project. The analysis was presented to the Committee at its special meeting on 3 September 2026.

Accordingly, at the Special meeting held on 3 September 2026, the Committee resolved as follows:

5.1 SCENARIO ANALYSIS – DRAFT LONG TERM FINANCIAL PLAN 2026–2035

COMMITTEE RESOLUTION 2026/91

Moved: Mr Fairlie-Jones
Seconded: Ms Best

"that the Audit and Risk Committee, having considered Item 5.1 – Scenario Analysis – Draft Long Term Financial Plan 2026–2035, dated 3 September 2026, recommend to Council that the draft 2026-2035 Long Term Financial Plan presented to the 12 August meeting of the Audit and Risk Committee is suitable for public consultation subject to following changes:

1. ***Update draft 2026-2035 Long Term Financial Plan based on Scenario 2; and***
2. ***Future annual reviews of the LTFP should pay particular attention to:***
   - ***(a) actual development growth compared with the assumptions incorporated in the LTFP;***
   - ***(b) the timing and value of the TWTC income;***
   - ***(c) confirmation and timing of grant funding for major capital projects;***
   - ***(d) the timing and affordability of major capital expenditure;***
   - ***(e) growth in operating expenditure and service delivery costs; and***
   - ***(f) the impact of these factors on Council's Operating Surplus Ratio and NFL Ratio."***

CARRIED

Public consultation of the draft LTFP

Council commenced public consultation on its draft LTFP on 7 October 2026, contained in **Attachment 2**. The consultation period was advertised through a public notice inviting members of the Adelaide Plains community to review the draft Plan and provide feedback.

The consultation period commenced at 9.00 am on Wednesday, 7 October 2026, and concluded at 9.00 am on Thursday, 29 October 2026.

The draft Plan has been made available on Council's consultation website, at the Principal Office in Mallala and at the Two Wells Service Centre.

Community members have been invited to provide feedback online or in writing by email or post. The public notice also advises that submissions will become public records and may form part of a report to Council.

The public notice advises that people who provide feedback in writing through a letter or online form will be invited to register to speak to their submission at the Ordinary Council meeting scheduled for 18 November 2026.

Discussion

Current Consultation Status

During the consultation period, Council received three submissions (Please refer to **Attachment 1**).

Changes to the draft LTFP following public consultation

The following amendments are proposed to improve the accuracy and clarity of the draft LTFP before it is presented to Council for consideration and adoption.

Page	Current information	Proposed change
22	'*……. this expenditure has been expressed in nominal values by indexing the real values for an assumed annual non-capital inflation rate of 3%.*'	'*……. this expenditure has been expressed in nominal values by indexing the real values for an assumed annual non-capital inflation rate of 3.5% for new growth-related labour resources and 3.0% for non-employee expenses.*'
42	'*Both Adjusted (Figure 7) and Underlying (Figure 8) NFL Ratio is forecast to decline over the 10-year planning period*'	'*Adjusted (Figure 7) NFL is forecast to decline slightly over the 10-year planning period, while Underlying (Figure 8) NFL is expected to increase over the 10-year planning period from 6.69% in 2026/2027 to 13.88% in 2035/2036*'

Next Steps

A report addressing the consultation outcomes and any proposed amendments to the draft LTFP will be presented to the Ordinary Council meeting on 18 November 2026 for consideration and adoption.

Conclusion

The public consultation period for the draft Long-Term Financial Plan 2026–2035 concluded on 29 October 2026, with three submissions received. The submissions have been provided in **Attachment 1** for the Committee's information. A number of amendments are also proposed to improve the accuracy and clarity of the draft LTFP, particularly in relation to inflation assumptions for operating expenditure and the forecast trends in Council's Net Financial Liabilities (NFL) ratios.

Following consideration of the consultation outcomes and proposed amendments, a report will be presented to the Ordinary Council meeting on 18 November 2026 for consideration and adoption of the LTFP.

References

Legislation
Local Government Act 1999

Council Policies/Plans
Audit & Risk Committee Works Program 2026/2027

Rajith Udugampola

From: matthew christensen
Sent: Friday, 9 October 2026 12:21 am
To: Info; Council Members - EXTERNAL
Cc: Melissa Christensen
Subject: Feedback - Draft Long Term Financial Plan 2026-2035

Report This Email

Dear Mayor, Elected Members and Council Administration,

I am writing as a resident and ratepayer of Adelaide Plains Council to formally raise significant concerns regarding the Draft Long Term Financial Plan 2026–2035.

Having reviewed the document, Council's published budgets and annual reporting, I believe the draft contains apparent numerical discrepancies, contradictory statements and insufficiently supported assumptions concerning financial sustainability, expenditure prioritisation, transparency, service delivery and long-term value for ratepayers.

I recognise that Council faces genuine challenges associated with population growth, increasing infrastructure obligations and rising service delivery costs. However, these pressures make financial discipline, strategic prioritisation and accountability more important—not less.

I do not support adoption of the draft in its current form. Where the draft contains inaccurate figures, calculations or statements, those errors must be corrected before the plan is adopted. Where figures cannot be reconciled, the relevant assumptions and calculations must be disclosed and the plan amended accordingly.

1. Financial modelling and unexplained discrepancies

On page 22, Council states that its ten-year operating project program amounts to $24.811 million in 2026 dollars, increasing to $25.681 million in nominal values through the application of 3% annual inflation.

However, discounting the annual nominal expenditure allocations in Table 3 by 3% produces a total of approximately $21.52 million in 2026/27 dollars.

This leaves an apparent discrepancy of approximately $3.29 million.

This is not a minor presentation issue. It is a material inconsistency in the financial information presented to the community. Council must verify the figures, identify the source of the discrepancy and correct the draft if the published total or underlying allocations are inaccurate.

Performing the equivalent calculation on Council's capital works program using the stated 5% inflation assumption produces a result broadly consistent with Council's reported $84 million real-value capital program. That comparison makes the operating-project discrepancy more difficult to dismiss as a general inflation or rounding issue.

Council must provide a detailed reconciliation explaining the operating-project discrepancy, including the underlying calculations, annual allocations, inflation methodology, base year, timing assumptions and any differences in scope or modelling methodology. If the stated $24.811 million figure, the $25.681 million nominal figure or the Table 3 allocations are incorrect, they must be amended.

Additionally, Council's adopted 2026/27 Annual Business Plan reports an underlying operating surplus of approximately $298,000, whereas the opening year of the draft LTFP reports $495,000. This is a difference of approximately $197,000.

Council must explain this difference by identifying every change in revenue, expenditure, accounting treatment, grant assumption, timing assumption or classification. If the two documents are intended to describe the same financial year and financial position, they must be consistent. If they are not directly comparable, the draft must clearly state why. The relevant figure must be corrected if it is inaccurate.

These discrepancies must be resolved and the draft amended before adoption. A general explanation after adoption would not be sufficient.

2. Extremely narrow operating surpluses

The draft forecasts underlying operating surpluses of just $189,000 in 2030/31, $192,000 in 2033/34 and $102,000 in 2034/35, as well as a deficit of $272,000 in 2032/33.

In 2034/35, the forecast underlying surplus represents approximately 0.29% of projected operating revenue.

Such a narrow margin provides limited protection against unexpected expenses, lower-than-forecast income or inaccurate assumptions. A forecast deficit in 2032/33 also requires a clear explanation and corrective strategy.

Furthermore, the operating results include recurring capital-grant revenue, projected at $500,000 in 2026/27 and $527,000 annually thereafter.

I acknowledge that this treatment may be consistent with Council's financial reporting framework. However, the draft must clearly identify the extent to which the forecast operating position depends on capital-grant revenue and must demonstrate the underlying operating result excluding that revenue.

Council must include quantified financial scenarios examining lower development growth, higher labour and construction costs, reduced grants and increased borrowing rates. These scenarios must show the effect on operating surpluses, borrowings, liquidity, rates and service delivery.

The community is entitled to understand the resilience of Council's finances under adverse conditions, not solely under Council's preferred forecast. If the draft's financial position is not sustainable under reasonable downside scenarios, the plan must be revised to address that risk before adoption.

3. Contradictory statements regarding financial liabilities

On page 42, the draft states that both the adjusted and underlying Net Financial Liabilities Ratios are forecast to decline over the planning period.

However, Figure 8 shows the underlying ratio increasing from 6.69% in 2026/27 to 13.88% in 2035/36, with substantial fluctuations during the intervening years.

Although the ratios may remain within the published benchmark range, the written conclusion does not accurately reflect the information shown in the graph.

Council must correct this inconsistency. The draft must not state that the underlying ratio declines if the graph shows it increasing over the planning period. Council must either correct the graph, correct the written explanation or provide a clear explanation of the different measures being referred to.

Council must also publish the calculations and adjustments used to determine both financial liabilities indicators. If the figures or conclusions are inaccurate, they must be amended before adoption.

4. Rates, charges and affordability

Council forecasts rates revenue increasing from approximately $17.56 million in 2026/27 to $32.39 million by 2035/36—an increase of approximately 84.5%.

I appreciate that this includes additional rateable properties arising from development and does not represent an equivalent increase in individual household rates.

Nevertheless, it represents a substantial expansion in revenue collected from the community and must be accompanied by a transparent explanation of the assumptions supporting that growth.

Council's adopted 2026/27 budget also identifies an increase in the average general rate from $2,355 to $2,540 and an increase in the fixed charge from $417 to $584.

Although eligible properties benefit from the discretionary rates cap, the broader implications of changes in the rating structure deserve transparent analysis. Council must clearly distinguish between increases caused by new properties, valuation changes, rate-setting decisions, fixed-charge changes and changes in the distribution of the rating burden.

The draft also assumes annual increases of 7% for waste and Community Wastewater Management System charges, compared with general inflation of 3%.

Over nine annual increases, a charge growing at 7% rises approximately 84%. Council must verify this calculation and clearly disclose the resulting dollar impact on affected households.

Council must publish the cost modelling behind these increases, the relevant service cost-recovery calculations and the efficiency improvements considered before passing these costs on to residents. If the proposed increases are not supported by accurate cost information, the assumptions and charges must be revised.

5. Workforce expansion and recurring expenditure

Pages 22–23 provide for 29 additional positions over the planning period, including two positions already approved for 2026/27.

Table 3 allocates approximately $19.3 million in cumulative nominal growth-related resourcing expenditure over the decade, representing approximately 75% of the proposed operating project program.

While population growth may justify additional positions, Council has not provided sufficiently detailed public evidence demonstrating the operational necessity, productivity benefits or alternatives to this level of workforce expansion.

I am also concerned about the inclusion of ongoing staffing commitments within an operating project program when new permanent positions ordinarily create recurring financial obligations.

Council states that these positions will be funded through rates revenue generated by growth rather than increased contributions from existing ratepayers. That statement must be supported by a complete financial reconciliation rather than treated as an assumption.

Council must provide a year-by-year reconciliation showing the incremental revenue generated by development against additional staffing, maintenance, service delivery and infrastructure costs. The reconciliation must include the full recurring cost of each position, including salary, on-costs, leave, recruitment, accommodation, equipment, technology, vehicles and management overheads.

Council must also identify what productivity initiatives, technology investment, process improvements, outsourcing opportunities and service-delivery reforms were assessed before proposing additional permanent positions.

If the workforce figures, costs or funding assumptions are inaccurate, the LTFP must be amended before adoption.

6. Community and Civic Hub, library investment and future service delivery

The draft includes approximately $11.52 million in nominal expenditure for the proposed Community and Civic Hub.

Previous Council material identifies the Two Wells office and library site as the preferred location for a future facility and refers to the accommodation of library, community and administrative functions.

I recognise that the proposed investment is not exclusively library expenditure, and I acknowledge that libraries can provide valuable educational and community services.

However, Council's 2024/25 Annual Report records only 7,802 physical visits across its two libraries for the year.

This raises a legitimate question regarding the scale and nature of future investment in physical library infrastructure.

Council must confirm that the attendance figure, the proposed facility cost and all related project figures are accurate and consistent across Council documents.

Council must also publish a comprehensive evaluation of current utilisation, projected future demand, digital borrowing trends, the cost per service interaction and the feasibility of alternative service-delivery models.

Council must demonstrate whether it has examined smaller library facilities, shared community spaces, greater digital access, partnerships with schools and other organisations, or more flexible multi-purpose facilities.

I am not advocating the elimination of library services. I am advocating investment in services that respond to demonstrated and emerging community needs.

A growing council should be looking critically at how residents will access services over the next twenty years rather than automatically expanding traditional infrastructure.

Before committing to a major new civic facility, Council must publish a business case comparing the proposed development with credible lower-cost alternatives, including capital costs, operational expenses, asset lifecycle costs, forecast patronage and measurable community benefits.

If the project cost, utilisation assumptions or projected benefits are not supported by accurate evidence, the project should not proceed in its current form and the LTFP must be amended.

7. Major capital projects and expenditure priorities

The LTFP provides approximately $25.47 million for the Two Wells Oval redevelopment, $11.52 million for the Community and Civic Hub and $2.41 million for Salt Creek restoration, expressed in nominal future-year expenditure.

Combined, these projects represent approximately $39.4 million.

Council must verify these figures, including whether they are nominal or real-dollar amounts, whether they include contingencies, whether they include design and project-management costs, and whether they include ongoing operating and maintenance costs.

I recognise that Council has made their delivery conditional upon securing 50% external grant funding.

However, even if that funding is obtained, Council must still demonstrate that its share of the expenditure represents the best allocation of limited resources.

The availability of grant funding does not, in itself, establish the financial or community value of a project. Nor should a grant condition be used to obscure the full cost or risk to Council.

Council must publish the relevant project business cases, alternatives assessments, projected utilisation, whole-of-life operating costs, asset renewal obligations, funding assumptions and financial risks.

Council must also explain how these projects have been prioritised against road maintenance, stormwater management, flood mitigation, community safety and other essential infrastructure needs.

Given the geographic size and diverse needs of the Adelaide Plains region, Council must demonstrate that its capital expenditure is being prioritised fairly across the district.

If the project costs, funding assumptions or prioritisation statements are inaccurate or incomplete, they must be corrected before the LTFP is adopted.

8. Developer-contributed infrastructure and future liabilities

Council's financial statements forecast approximately $61 million in infrastructure assets received free of charge over the next ten years.

While these contributions increase the value of Council's asset base, they also create potential maintenance, depreciation and eventual replacement obligations.

Council forecasts depreciation rising from approximately $5.17 million to $9.91 million annually over the period.

Council must demonstrate how the future revenue associated with new developments compares with the complete lifecycle cost of the additional infrastructure being transferred into public ownership.

That analysis must include maintenance, renewal, depreciation, administration, insurance, compliance and eventual replacement costs. It must not treat the receipt of an asset as a net financial benefit without accounting for the obligations that follow.

I also seek clarification of how the forecast asset renewal funding ratio reaches exactly 100% in nine consecutive years, including the underlying condition assessments, asset management assumptions and outstanding renewal backlog.

A repeated forecast of exactly 100% requires particular scrutiny. Council must verify whether this is a genuine result of the modelling or a rounded, capped or assumed figure. If the figure is not an accurate representation of the underlying position, it must be corrected.

This is particularly important given the significant expansion in infrastructure assets anticipated during the planning period.

9. Borrowings, liquidity and financial risk

Council forecasts total borrowings peaking at approximately $11.98 million in 2032/33.

The draft also assumes short-term borrowing rates declining to 4% from 2028/29, while showing indicative longer-term borrowing rates exceeding 6% as at July 2026.

Council must demonstrate how its projected financing costs account for the expected mix of short-term and fixed-interest borrowings. The interest assumptions must be reconciled with the borrowing profile, repayment schedule and timing of capital expenditure.

Further sensitivity analysis must show the effects of higher interest rates, delayed grants and capital cost overruns.

Additionally, the balance sheet forecasts cash and cash equivalents of approximately $300,000 in most years.

While this does not necessarily indicate inadequate liquidity, Council must explain the committed financing arrangements, available facilities and contingency measures supporting its ability to meet short-term obligations.

Council must also identify the minimum cash balance it considers prudent and explain what action would be taken if that balance were threatened.

The exclusion of potential Northern Floodway capital contributions warrants a scenario assessment should the current funding policy change. The LTFP must clearly identify whether this matter is

excluded, deferred or otherwise treated, and the financial consequences under each relevant scenario.

If the borrowing, interest, liquidity or cash-flow figures are inaccurate, incomplete or based on inconsistent assumptions, the LTFP must be amended before adoption.

10. Independent regulatory recommendations and accountability

In its 2022–23 advice, the Essential Services Commission of South Australia recommended that Adelaide Plains Council improve its financial planning through more transparent growth assumptions, reporting of cost savings, improved borrowing forecasts, stronger asset management alignment and greater consideration of ratepayer affordability.

Several of these matters remain directly relevant to the current draft.

Council must provide a public response detailing how each recommendation has been addressed, what measurable improvements have been achieved and what matters remain outstanding.

In particular, Council must disclose verified operating efficiencies and cost savings achieved through its stated approach to zero-based budgeting and continuous improvement.

If Council relies on claimed efficiencies or savings in the LTFP, those amounts must be identified, quantified and supported by evidence. Unsupported or unverified savings must not be used to justify the plan's financial position.

11. Additional matters requiring clarification

Before adoption, Council must also address the following matters:

- Confirm the consultation timetable, decision date and process for considering submissions, including whether a revised draft will be published if material changes are made.
- Provide a complete schedule of assumptions used in the LTFP, including population growth, dwelling approvals, rateable-property growth, valuation growth, grant income, inflation, wages, construction costs, interest rates and service-demand forecasts.
- Explain whether the plan includes adequate allowances for emergency works, extreme weather, bushfire, flooding, insurance increases, cyber-security incidents and other foreseeable risks.
- Identify the minimum operating-surplus and liquidity thresholds Council considers acceptable, and explain what corrective action would be triggered if those thresholds were breached.
- Clarify whether the plan has been independently reviewed or stress-tested by Council's audit committee, external auditors or another suitably qualified party.
- Publish a clear distinction between expenditure that is legally required, expenditure necessary to maintain existing services and discretionary expenditure that could be deferred or reconsidered.
- Explain how Council will measure whether the proposed projects and additional staffing deliver the promised community outcomes, including the reporting timetable and responsible officers.
- Confirm whether any proposed projects depend on future grants that have not yet been secured, and identify the consequences if those grants are unavailable, delayed or provided at a lower level.

- Provide a consolidated ten-year cash-flow forecast showing operating cash flow, capital expenditure, borrowings, debt repayments, grant receipts, developer contributions and closing cash balances.
- Explain how intergenerational equity has been assessed, particularly where current borrowing or development decisions create future maintenance and renewal obligations.
- Confirm that all totals, percentages, graphs, tables and written conclusions have been independently checked for mathematical and internal consistency before the plan is presented for adoption.

These matters are not intended to delay necessary investment. They are intended to ensure that Council's decisions are based on complete and accurate information and that the community can assess the risks before long-term commitments are made.

Where the draft contains inaccurate figures, inconsistent calculations or misleading statements, those matters must be corrected in the document itself. They should not be left to be explained informally after adoption.

Closing comments

I want Adelaide Plains Council to succeed. I want to see a growing, financially sustainable region with well-maintained roads, reliable infrastructure, appropriate community services and sound governance.

However, growth alone should not be treated as evidence of financial success.

Increasing revenue, expanding staffing and constructing new facilities do not automatically constitute better outcomes for the community.

Financial sustainability must be demonstrated through robust assumptions, realistic contingencies, transparent modelling, efficient service delivery and expenditure that provides measurable long-term value.

I respectfully request that Council correct all inaccurate figures, calculations, graphs and statements before adoption; publish the supporting financial reconciliations and business-case information; and amend the Draft Long Term Financial Plan wherever the published information cannot be substantiated or reconciled.

Please ensure this submission is provided to Elected Members as part of the formal consultation process. I would appreciate an itemised written response to each matter raised rather than a general acknowledgement of receipt.

Thank you for considering my submission.

Kind regards,

Matthew Christensen
Resident and ratepayer
Lewiston, South Australia

Hello Mark + James,

This is our submission as discussed at Pakham recently.

I will e-mail a covering letter head letter to you as I left it on my printer.

Any feedback or suggestions are as always welcome

yours

[redacted]

Unlocking our Future

Moving forward with the Parham Foreshore Precinct Vision by prioritizing the design, costing, funding plans and construction of the Sea Wall.

This letter is from the Parham and District Action Group (PADAG) to the elected members, staff and anyone else involved in the ten-year plan for the Adelaide Plains Council community.

Just a quick reintroduction to everyone on who we are, why we are and where we are currently as a community group. PADAG was formed in 2017 to represent the community.

Concerns that outside influences were making decisions in the community that were not necessarily in the interest of the local community.

The forming of an organized, inclusive group to consult with the community to develop and move forward with opportunities for the community.

To find ways to improve the experience of Parham and District, as a resident, a friend, a tourist and anyone that has, is or will now and in the future be impacted by Parham.

To be active and a full participant in raising funds from APC, State Government, Federal Government, our own local group and resources, groups like the Lions, local businesses through direct funds and grants.

The first statement in the Growth Planning document from the APC is:

"The population and infrastructure on the Adelaide Plains is growing fast. We have strategies and plans in place to make sure our growth is sustainable and balanced to maintain our enviable lifestyle and remarkable landscapes."

The Costal settlements section of the plan has recognised the Parham and Webb Beach Settlement 2025 plans. We as a group at PADAG know that this is how we see our community as an *enviable lifestyle and remarkable landscape.*

As the population grows many more families will be choosing to live, work, go to school, play sport and be looking for other recreation in the APC and surrounding areas. This is a challenging opportunity at many levels. How does the APC and other organisations attract and importantly retain people in the short turn and in the long term.

Our plans at PADAG are very advanced and well developed, having been worked on directly since 2021 when the PADAG subcommittee for the Parham Foreshore Precinct was formed.

We have consulted many people from community, visitors, organisations, State government and APC with inclusion being our focus. Our plans have been well received, and we have even been successful in a pledge from State government of over 1 million dollars.

Unlocking our Future

In all our plans, presentations, visions, consultation, one major part of going forward is the **Sea Wall in Parham.** APC have done some preliminary work, costing and design but we at PADAG are seeking to prioritize this part of the project so all the above opportunities, wishes and potential can be Unlocked. The community, APC and Government are activated and are ready. We need to progress as soon as possible so all of us can get it happening and help capture what's happening in the community.

Tom Jones [redacted]
You [redacted]
Hi [redacted]

As discussed, please find below estimated cost for the Parham precinct master plan.
>
> 1. Esplanade – Port Parham
>
> * Estimated Cost: $729,000
> * This includes a provisional allowance of $100,000 for the potential SA Water main realignment, which remains the primary project risk.
>
> Scope of Works:
>
> * 1400m in length
> * Supply, placement, and compaction of a 300 mm granular pavement.
> * Application of a two-coat 14/7 spray seal over a 7 m sealed width.
> * Removal and haul of existing pavement, subgrade treatment or stabilisation, drainage works, line marking, edge treatments, shoulder formation, traffic management, utility relocations, environmental controls, testing and certification, contractor mobilisation, and permits.
>
> 1. Parham Precinct
>
> * Total Estimated Cost: $2,920,013
> * Costs have been developed by an independent cost estimator based on the adopted Master Plan (attached).
>
> Breakdown:
>
> * Proposed Boat Ramp – $106,750
> * Carpark (northern end) – $272,750
> * Site Preparation – $303,000
> * Sea Wall – $720,000
> * Footpaths, Paved Areas & Beach Access – $344,000
> * Shelter Structures (main shelter & fish cleaning station) – $122,550
> * Landscaping, Sculptures & Play Equipment – $440,650
> * Site Infrastructure (drainage, sewer, water, power) – $184,713
> * Project Contingencies / Assumptions (no detailed design) – $425,600

Regards
Tom

	Actions	Community Benefit	Next Steps
2.	**Foreshore Precinct Vision** – Implement the master plan upgrading several existing facilities and installing various new facilities, New facilities include fish cleaning station, memorial wall, half-court basket-ball, fitness, crab sculpture, nature play, DDA accessible nest swing. This vision builds on the informat and formal consultation over 2023 and 2024 to lead from a concept plan to a master plan being adopted in early 2024 (see Parham Foreshore Precinct Landscape Master Plan – Available via Council agenda April 2024). Key Council Partner - Development and Community Team	Health and social benefits from increased range of recreation activities and facilities.	PADAG/APC implement adopted master plan and seek funding (including applying for grants)

From 2021 as a reference to being of Project

Parham and Districts Action Group

Main communities of Parham, Webb's Beach and Dublin.

A subcommittee has been formed to come back with outlines and suggestions for the Parham and Districts Action Group to start a formal presentation and commitment to groups, organizations and especially local, state, and federal governments and their **departments. With the opportunities that have and are coming forward now and in the future for our communities, we have at Parham and Districts Action Group recognized that we as a group would like to be included with input and decisions whenever and where ever possible.**

Some of the local organizations include Parham and Districts Action Group itself, Men's shed, Coalition of Coastal Communities (announced recently), coastal protection, bird sanctuary, Lions club, local sports clubs including Parham sports club, other towns and communities that will benefit Parham and Districts Action Group now and in the future.

We must at every opportunity ask, inform, and reassure our full-time, part time residents and local communities that any proposals and actions by Parham and Districts Action Group are to enhance and improve our communities, it is for them, their families and friends to have a better experience. Parham and Districts Action Group has made a commitment to be inclusive for all people, young, older, in-between, the able, the less able and less mobile. You will see in the suggestion, following and others that come up that there is a theme of inclusiveness, it is more important than ever for the well-being of our residents, communities, visitors and tourists.

It has been recognized that there is momentum in our communities large and small, local and further afield looking after the well-being at home is more important than ever. It was already stirring and then covid came along and now cost of living pressures a reality check in many ways, that being the need to enhance our lives and experiences nearer to home.

Tourism can be an overly broad term, we use the word travel often meaning other states and countries which for our communities is difficult to tap into and for many not a possibility to do because of health, mobility, finances, family and business/work commitments. Some may think things have changed for many of us in our communities the problem already existed. Our children and young people need to be considered, included, and catered for to help with their wellbeing; they are as we were the future. Tourism is now also focusing more than ever on what is in our own back yards, our communities certainly fall into this category. New highways and developments have the advantage of bringing services and population closer to our communities. It is often stated, do not change our communities and towns too much, we as a group must remain aware always when considering opportunities and actions and keep this front and center.

Our beaches are noted crabbing and fishing beaches which need to be managed, our towns are full of history and we have other attractions that can be enhanced. There are some changes happening, sealed esplanade's, planting of natives, bird sanctuary, campground improvements etc., it has been recognized for some time that there is often

no easy access for walking, wheeling on to or near beaches, for many no safe viable access to our main asset, the beach. Roads unsealed, lack of footpaths or board walks, clear paths along the coast for a safe pleasant experience, these need to be planned carefully and implemented as a priority. While many things are mainly for council to implement, Parham and Districts Action Group is making the commitment to be involved at every opportunity and assist in helping create pleasant areas for all ages and mobility needs, for visitors and residents.

Parham and Districts Action Group

Main communities of Parham, Webb's Beach and Dublin.

These following writings, proposals and presentation are from the subcommittee formed in April 2021 by Parham and Districts Action Group. It is bringing together past, present, possible ideas and opportunities that have been completed, proposed and suggested. The Action group has been active for several years and is gaining momentum. The following papers, letters photo's suggestions that follow are both formal as an introduction and follow up on past letters mainly to our local Adelaide Plains Council and less formal in form because much more will be done now and into the future as things are created, sustained and maintained. Please read and look at all the following presentation first with as open a mind as possible to see what is in here, then your contribution, ideas, comments and energy is welcomed it is for you the reader and us all to have input. It is our intention as a subcommittee to be informative and start conversations and respect all input and formally let our council know our intentions and commitments.

Yours the subcommittee of

Parham and Districts Action Group

Adelaide Plains Council

(https://shape.apc.sa.gov.au/)

Login / Join(https://shape.apc.sa.gov.au/login)

Submit your feedback

Submit your feedback on our Draft Long Term Financial Plan 2026-2035.

Home (https://shape.apc.sa.gov.au/) / Long Term Financial Plan 2026-2035 (https://shape.apc.sa.gov.au/ltfp-2026-2035) / Submit your feedback

Open

Submit your feedback on the draft Long Term Financial Plan 2026-2035

First Name Required

[redacted]

Last Name Required

[redacted]

Email address

[redacted]

Township Required

Mawson Lakes

Which of these best describes you?

Other (please specify)

Member of Parham and District Action Group

Formal submissions will be provided in a report to Council. Would you like your feedback to remain anonymous for the purpose of a public report to Council? Required

Yes, I would like to be anonymous in the public report

No

How did you hear about this consultation?

Other (please specify)

APC members and staff

Have you read the document for the Draft Long Term Financial Plan 2026-2035? Required

Yes, all of it

Please provide your feedback below: Required

Attached Submission

Submit

Acknowledgement of Country

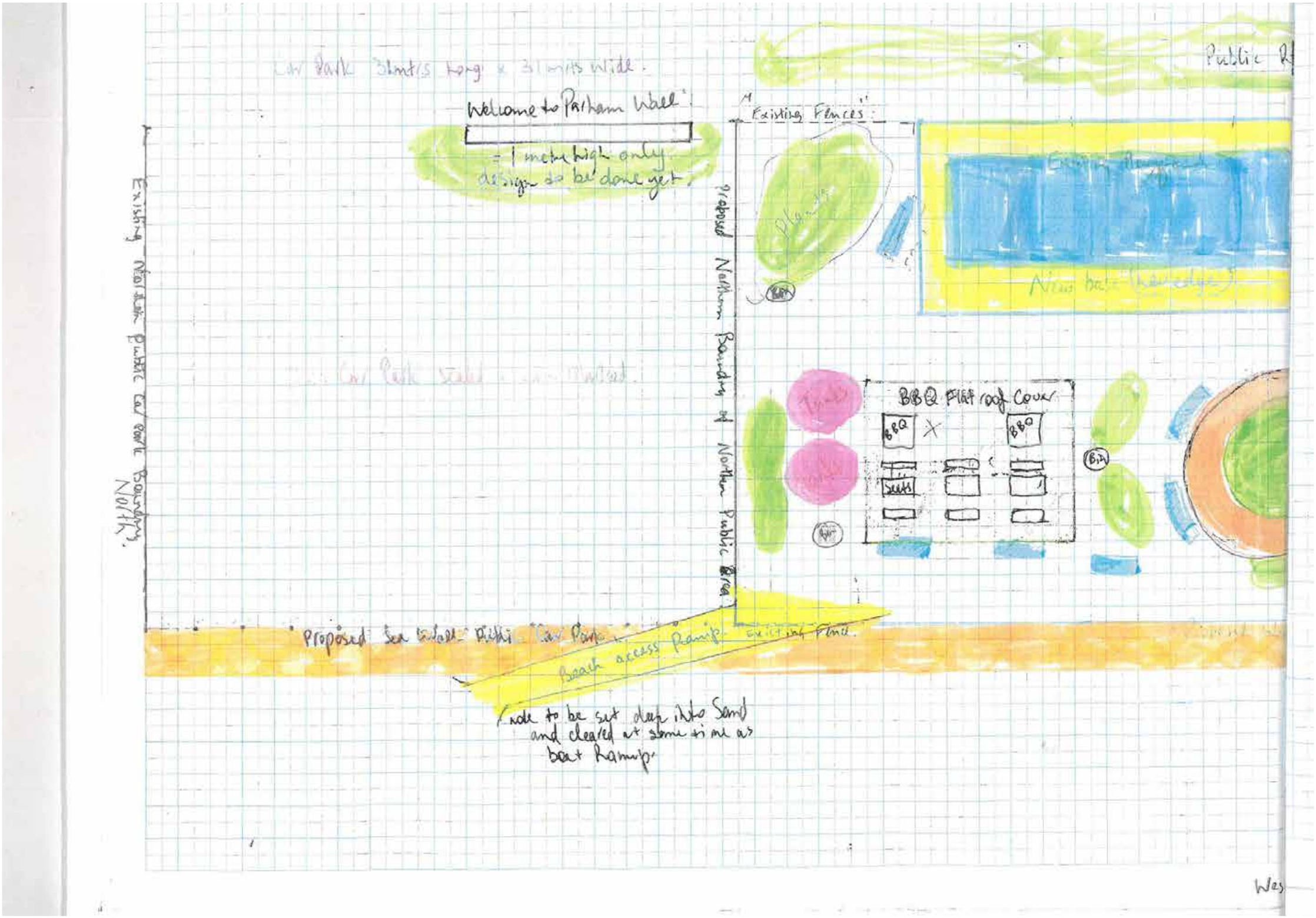
Adelaide Plains Council acknowledges that we are located on the Traditional Country of the Kaurna people of the Adelaide Plains and pays respect to Elders past, present and emerging. We recognise and respect their cultural heritage, beliefs and relationship with the land and we acknowledge that they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

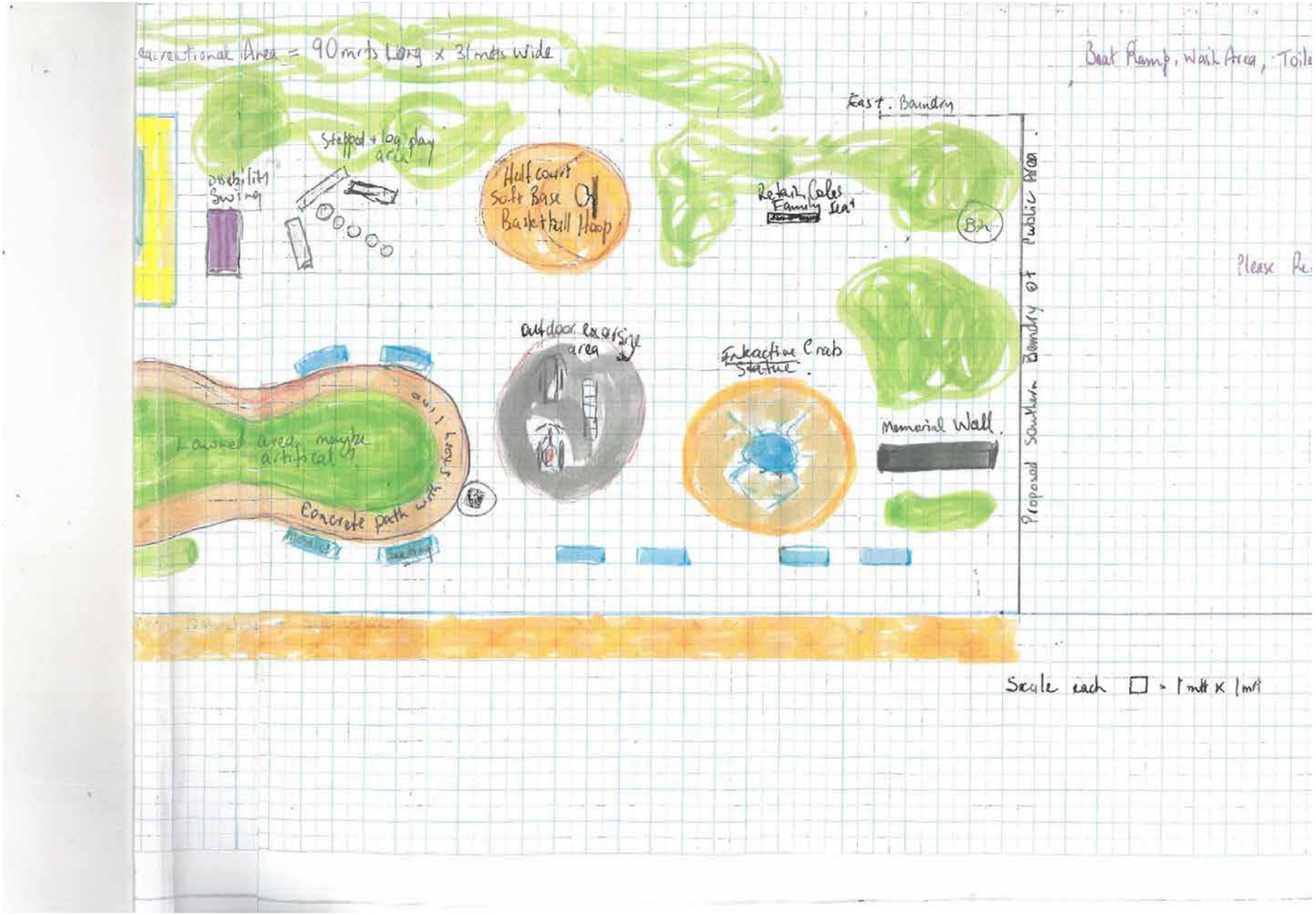
Contact Us

Have questions or want to learn more about a project, contact us below:

08 8527 0200

info@apc.sa.gov.au (mailto:info@apc.sa.gov.au?subject=Website%20enquiry)


Welcome to Parham Wold
= 1 metre high only
Existing Fences
Proposed Northern Boundary of
Northern Public Area
Existing Northern Public Car Park Boundary
BBQ Flat roof Cover
BBQ
BBQ
Seats
Boat access Ramp
Existing Fence
Proposed Sea Wall - Public Car Park
Rock to be set deep into Sand
and cleared at same time as
boat Ramp.


Recreational Area = 90 mtrs Long x 31 mtrs Wide
Boat Ramp, Wash Area, Toile
East. Boundry
Stepped + log play area
Disability Swing
Half court Soft Base Basketball Hoop
Retain Poles Family Seat
Bin
Please Re
Outdoor exercise area
Interactive Crab Statue.
Memorial Wall.
Lawned area, maybe artificial.
Concrete path with
Proposed Southern Boundry of Public Area
Scale each ☐ = 1 mtr x 1 mtr

+ Parking 50mts Long 30mts wide.

to Boat Ramp etc. Drawing for this area.

Proposed Boat Ramp + Parking etc. Southern Boundary

29.

Response No: 1

Contribution ID: 345
Member ID:
Date Submitted: Oct 21, 2026, 06:28 AM

Q1 **First Name**

Short Text [redacted]

Q2 **Last Name**

Short Text [redacted]

Q3 **Email address**

Email [redacted]

Q4 **Township**

Short Text Mawson Lakes

Q5 **Which of these best describes you?**

Select Box Other: Member of Parham and District Action Group

Q6 **Formal submissions will be provided in a report to Council. Would you like your feedback to remain anonymous for the purpose of a public report to Council?**

Multi Choice Yes, I would like to be anonymous in the public report

Q7 **How did you hear about this consultation?**

Select Box Other: APC members and staff

Q8 **Have you read the document for the Draft Long Term Financial Plan 2026-2035?**

Select Box Yes, all of it

Q9 **Please provide your feedback below:**

Long Text Please see attached hard copy of our feedback Submission delivered to Mallala office 21.10.2026PP

From: Tamara Anderson [redacted]
Sent: Thursday, 29 October 2026 11:23 AM
To: Info; Margherita Panella; Kay Boon; Terry-Anne Keen; Brian Parker; Alana Bombardieri; Dante Mazzeo; melvillel@apc.sa.gov.sa.au; Marcus Strudwicke; Mark Wasley; [redacted]
Subject: Draft Financial plan

Report This Email

Dear Chief Executive Officer and Elected Members,

I am writing as a ratepayer to provide feedback on the Draft Long-Term Financial Plan 2026-2035.

My concerns relate not only to Council's long-term financial sustainability, but also to how projects are prioritised, how community needs are identified, and whether the financial plan reflects the priorities of the people who ultimately fund Council's services through their rates and charges.

1. Community Priorities and Project Justification

Projects such as the proposed Civic Hub and various master-planning initiatives appear to be progressing without clear evidence that they reflect the community's agreed priorities.
I ask Council to explain:

- What evidence demonstrates community support for the Civic Hub and its proposed scope?
- What consultation has occurred, what alternatives were considered, and how has feedback influenced the proposal?
- What is the full lifecycle cost of the Civic Hub, including planning, design, construction, financing, operation, maintenance and renewal?
- What expenditure has been committed to master planning, and what future costs may result?
- How have these projects been assessed against other community needs and competing demands on ratepayer funds?

I also ask Council to explain whether deferring the Civic Hub or other discretionary projects has been considered while community needs, alternative options and the affordability of these investments are assessed.

Significant discretionary projects should be supported by a demonstrated need, a transparent business case, consideration of alternatives, and meaningful community input before commitments are made.

2. Essential Services and Waste Management

The closure of the Mallala rubbish drop-off facility raises concerns about whether current waste services adequately meet community needs.

I ask Council to clarify:

- What assessment has been undertaken regarding the need for a replacement facility?
- What waste drop-off services are currently available, at what cost, and with what accessibility impacts?
- What alternative options have been investigated, including a replacement facility, transfer station, or partnership arrangements?
- What are the likely establishment and operating costs of these options?
- How do the costs and benefits compare with other proposed investments such as the Civic Hub?

I ask Council to undertake and publish a waste-service needs and options assessment, including the feasibility and cost of restoring an accessible local drop-off service, and to explain how this need will be prioritised in future budgets.

As the district grows, accessible waste-management services should be assessed as a priority alongside other capital projects.

3. Growth Assumptions and Financial Risk

Projected growth may increase revenue but also creates ongoing obligations for infrastructure, maintenance and service delivery.

I ask Council to demonstrate:

- The assumptions and evidence supporting projected growth.
- How the Plan performs if growth is slower than anticipated.
- Whether the ongoing costs of developer-contributed assets are fully reflected.
- How existing ratepayers will be protected if forecast development revenue does not eventuate.

Alternative scenarios should be provided so ratepayers can understand the financial implications of changes in growth, costs, grants and service demand.

4. Rates, Charges and Affordability

Council should clearly explain how assumptions relating to rates, service charges, wages and construction costs affect households and businesses.

I request a clear explanation of the projected cumulative impact of general rates, waste charges and CWMS charges, and how Council will manage affordability if costs rise or revenues fall below expectations.

5. Capital Expenditure and Project Accountability

For major projects, Council should clearly identify:

- Total estimated costs.
- **Funding sources.**
- Operating and maintenance implications.
- **Key risks and dependencies.**

The Plan should clearly distinguish between essential asset renewal, required service investments and **discretionary projects that may be deferred if necessary**.

6. Meaningful Community Involvement

I ask Council to demonstrate how community priorities will genuinely influence future investment decisions, including:

- Transparent consultation on major projects.
- Publication of business cases.
- Consideration of alternatives before significant financial commitments are made.

I also request that Council publish a summary of feedback received on the Draft Plan, Council's response to key issues raised, and any resulting amendments.

7. Accuracy and Transparency of Projected Rate Increases

I am concerned that the Long-Term Financial Plan's assumption of a 3% annual rate increase may not accurately reflect the actual financial impact on ratepayers.

I ask Council to reconcile the 3% annual rate increase assumption with its recent rating decisions and explain how this translates into projected rates revenue and the actual dollar impact on existing ratepayers.

The Plan should distinguish between increases in total rates revenue, average rates per property and the changes experienced by individual ratepayers, including the effects of fixed charges, property valuations and growth in rateable properties.
Ratepayers should be able to clearly understand how the Plan's assumptions translate into the actual rates and charges they may pay over the next decade.

I request that Council consider these matters before adopting the Long-Term Financial Plan and provide a clear response explaining how the issues raised have been addressed and whether any changes to the Plan are proposed.
My intention is to support responsible growth and sound financial management while ensuring that Council's spending priorities reflect demonstrated community needs and that existing ratepayers are treated fairly.

Food for thought

Rates are forecast to increase by 3% annually for existing ratepayers.
The plan also assumes additional growth in rate revenue from new properties: 3% annually in Years 2–4, 4% in Year 5 and 5% thereafter. We need to establish how those assumptions translate into the total rates collected and the actual bill paid by an existing household.

Some council charges are forecast to rise faster than general rates.
Both the CWMS charge and waste charge are assumed to increase by 7% annually. If sustained for nine annual increases, a charge would rise by approximately 84% cumulatively. We should ask what evidence supports these increases and whether they reflect actual cost forecasts.

The plan relies on substantial developer-contributed infrastructure.
APC assumes an average of $6.1 million a year in donated assets over the 10-year period. These assets can benefit the community, but they also create ongoing maintenance, depreciation and eventual replacement obligations. We should examine whether the cost assumptions adequately reflect that responsibility

A major financial risk is explicitly excluded from the plan.
Potential council contributions to Gawler River flood mitigation works are excluded because the current funding position assumes constituent councils will not bear the Northern Floodway's capital costs. We should examine what happens if that position changes.

The underlying operating result is forecast to be negative in 2032–33.
The forecast underlying operating surplus ratio falls to −0.87% in that year. It then returns to positive territory, but we should investigate what causes the deficit, what corrective action is assumed, and how sensitive the result is to rising costs or delayed development.

Tamara Anderson

Adelaide Plains Council

Draft

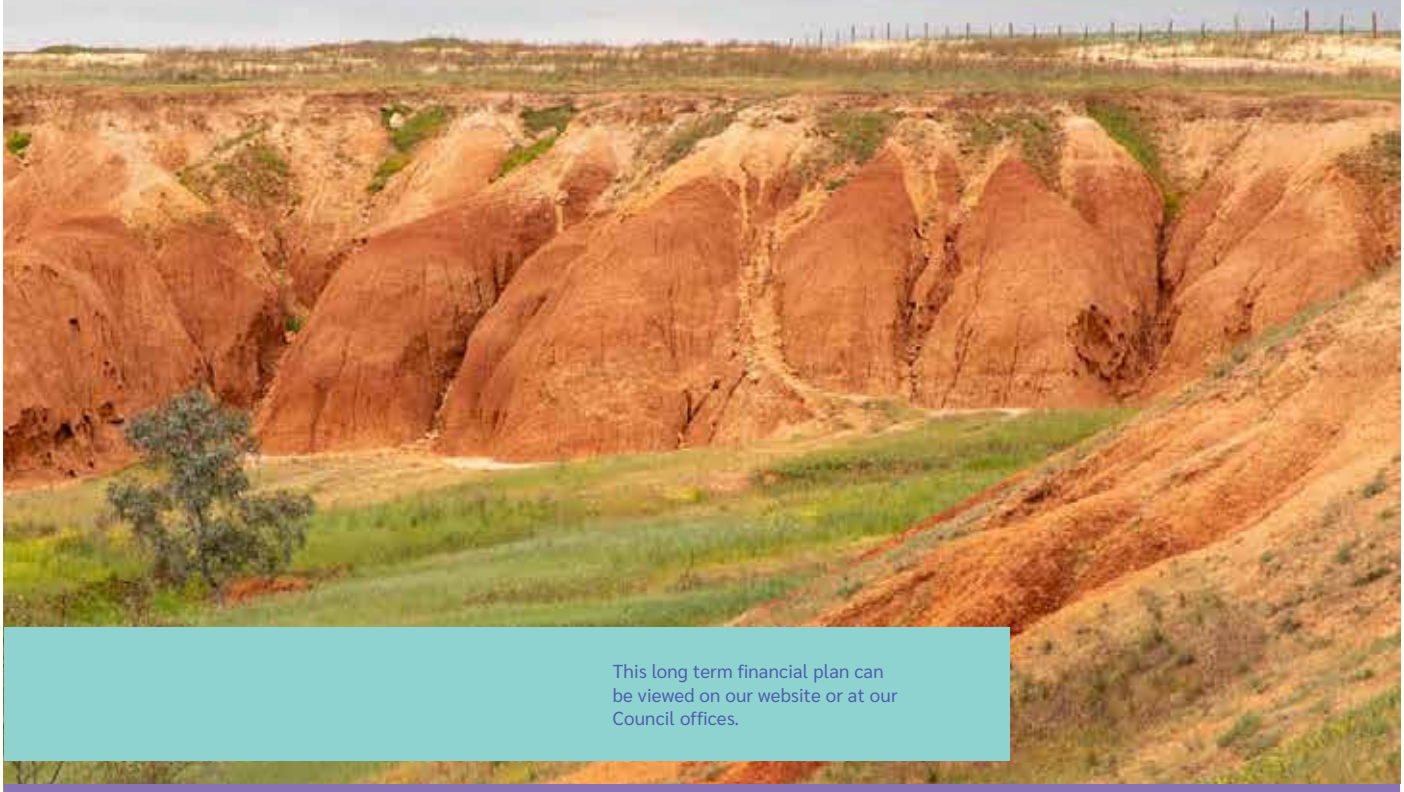
LONG TERM FINANCIAL PLAN

2026-2035



Acknowledgement of Country

Adelaide Plains Council acknowledges that we are located 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.



This long term financial plan can be viewed on our website or at our Council offices.

Adelaide Plains Council

Draft adopted by Council for consultation 16 September 2026

PO Box 18, Mallala SA 5502

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W www.apc.sa.gov.au
E info@apc.sa.gov.au

A printed copy can be obtained for a fee.

Mallala Principal Office
2a Wasleys Road, Mallala SA 5502

Two Wells Service Centre
69 Old Port Wakefield Road, Two Wells SA 5501

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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

Our 2028 vision

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

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




NATIONAL, STATE AND REGIONAL CONTEXT,
COMMUNITY NEEDS AND ASPIRATIONS, AND LEGISLATION
STRATEGIC
STRATEGIC PLAN*
Our vision for the region and priorities for the next 4 years. This provides broad policy direction, the objectives to achieve our vision and how we will measure success.
POLICIES
A high level position statement to guide decision making, aligned to our strategic vision.
DELIVERY
LONG TERM FINANCIAL PLAN*
How we will sustainably fund strategic objectives, infrastructure and services over the next 10 years.
INFRASTRUCTURE AND ASSET MANAGEMENT PLANS*
Infrastructure and assets that are needed to achieve our strategic plans, and the level of service needed over the next 10 years.
OTHER STRATEGIES AND MANAGEMENT PLANS
Focused plans to achieve objectives identified in our strategic plan, or may be required to meet our legislative requirements, or respond to environmental, social or economic issues and opportunities.
ACTION PLANS
What we need to do to achieve the objectives and actions in our strategic management plans.
ANNUAL BUSINESS PLAN & BUDGET*
Our key annual operational and financial planning document. It describes what services and projects we plan to deliver to our community and how they will be financed.
ENGAGEMENT AND PARTNERSHIP
REVIEWING AND REPORTING
ANNUAL REPORT
* Statutory requirement under the Local Government Act 1999.
Adelaide Plains Council
7

3 CHIEF EXECUTIVE OFFICER

Statement on financial sustainability

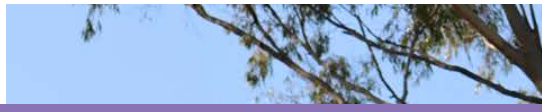
Adelaide Plains Council remains committed to maintaining a financially sustainable position while continuing to respond to the significant growth occurring across the district.

The draft Long-Term Financial Plan 2026–2035 (draft LTFP) has been developed to support Council's strategic objectives while maintaining appropriate service levels, investing in infrastructure and ensuring that the financial burden of growth is managed equitably across generations.

The draft LTFP indicates that Council is expected to maintain a sound financial position over the next ten years. Council's underlying Operating Surplus Ratio is forecast to remain positive throughout the planning period, except for 2032/33, demonstrating that operating revenue is generally sufficient to fund ongoing operating expenses without relying on proceeds from the proposed Two Wells Town Centre land sale.

Council is also planning to maintain its existing infrastructure through appropriate renewal expenditure. The Asset Renewal Funding Ratio is forecast to remain broadly consistent with Council's asset management requirements, with the Year 1 result below 100% primarily reflecting the deferral of fleet replacements pending completion of the Motor Vehicle Policy review. This provides confidence that Council is not expected to develop a significant infrastructure renewal backlog over the planning period.

Council's debt position remains prudent. No new borrowings are forecast to be required to fund business-as-usual operations or operating projects. Borrowing capacity may, however, be utilised to fund Council's contribution towards three major new assets where government grant funding is secured. This approach supports intergenerational equity by aligning the cost of long-life assets with the generations that will benefit from them. Council's Net Financial Liabilities Ratio is forecast to decline over the planning period, reflecting its strong projected financial position.



The financial outlook also recognises the challenges associated with continued growth. Population, rateable properties and Council's infrastructure assets are expected to increase significantly, resulting in additional maintenance, depreciation and renewal costs. The draft LTFP therefore adopts a cautious approach to uncertain future development revenues, with only amounts considered reasonably certain included in the forecasts.

Council's financial sustainability remains subject to external factors including inflation, interest rates, grant funding, development activity, regulatory requirements and the availability of potable water to support growth. The draft LTFP will consequently be reviewed annually to ensure that emerging financial pressures and changes in economic and development conditions are appropriately reflected in Council's financial planning and decision-making.

Overall, the LTFP provides Council with a sound financial framework to maintain services, respond to growth, invest in essential infrastructure and manage its financial resources responsibly. While financial sustainability requires continued discipline and monitoring, the current forecasts indicate that Council has the capacity to meet its long-term financial obligations while maintaining services and supporting the future development of the Adelaide Plains community.

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 periodic 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.



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, 2026/27 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 2024/25 Financial Year.
- Annual Business Plan and Budget adopted by Council for 2026/27 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 September 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 where it has become increasingly difficult to find further operational efficiencies and productivity. There is a now a need to increase staffing levels.

RATES INCOME

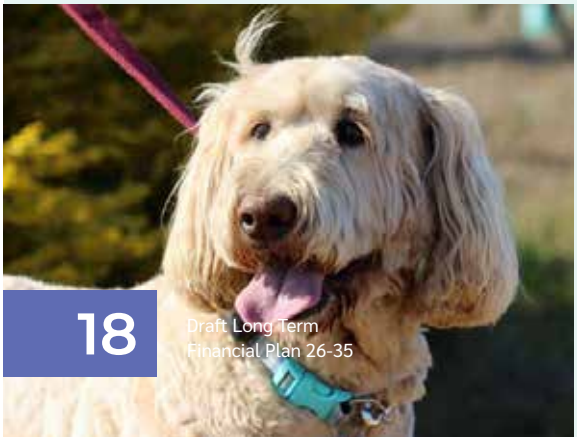
Rates income has increased consistently from $7.49m in 2014/15 to a budgeted $17.56m in 2026/27, representing an overall increase of approximately 134%. This growth has been driven by a combination of annual rate increases, growth in the number of rateable properties due to ongoing residential development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



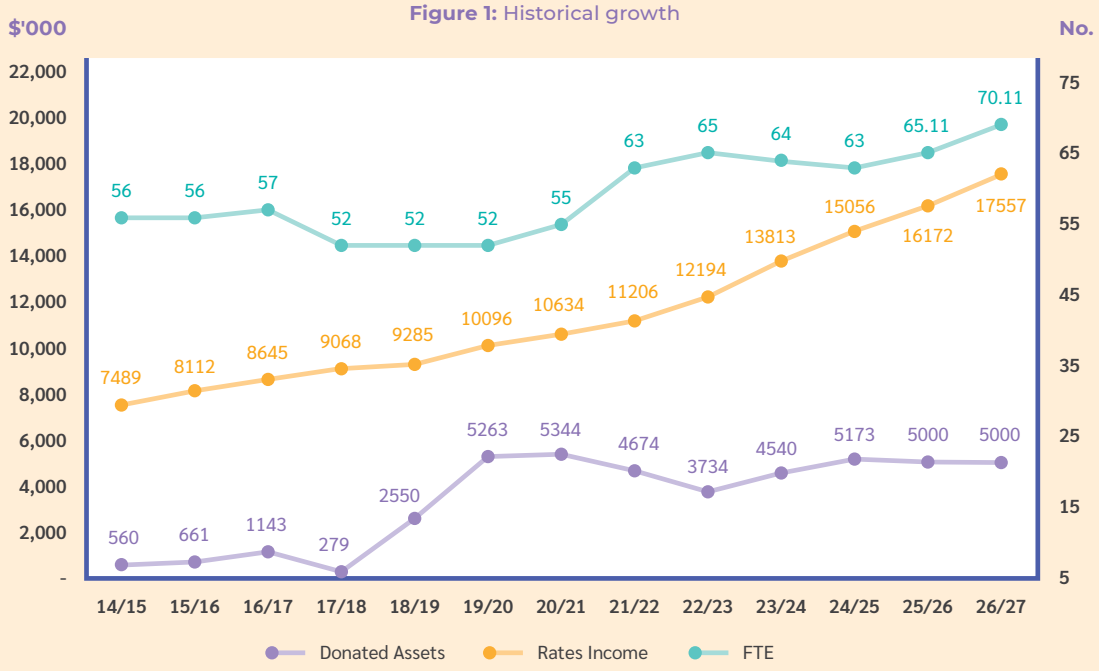
FTE NUMBERS

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 70 FTEs by 2026/27. This represents 25% 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.

The below 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/budgeted financial statements.

Figure 1: Historical growth



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	97	54%

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 $24.811m over the 10-year period in real value or in 2026 dollars.

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

Using nominal 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 in nominal value.

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

Table 3: Operating project program – at Nominal 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.

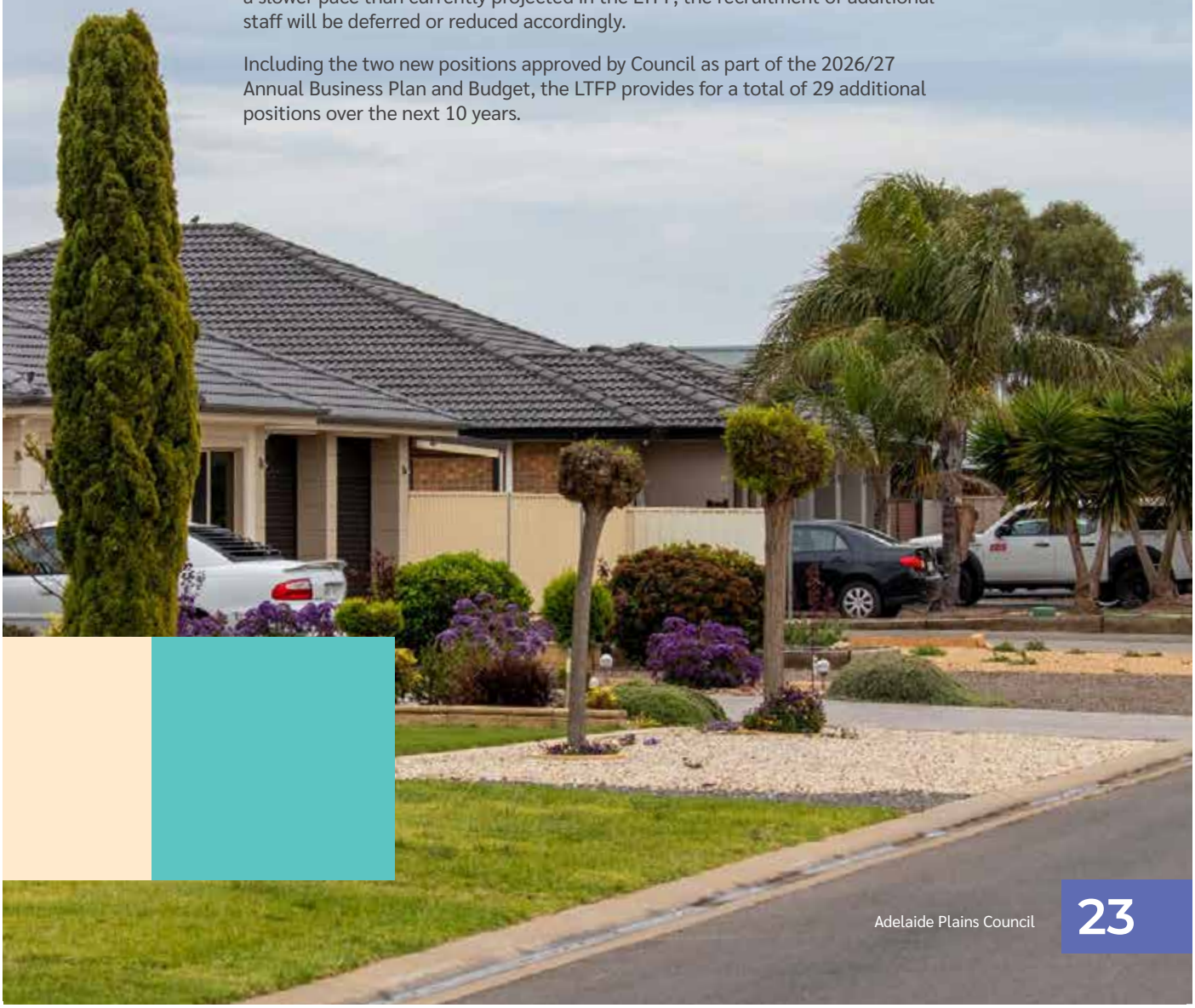
* Additional staffing resources will be required across engineering, parks and gardens, road maintenance, community safety, compliance, administration, and project management to support the anticipated growth across the Council district. Accordingly, the LTFP includes provision for three new positions each year from 2027/28 to 2035/36.

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 2026/27 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 real values. However, for the purposes of long-term financial planning, the capital expenditure has been expressed in nominal values by indexing the real 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 nominal costs across the 10-year period as follows:

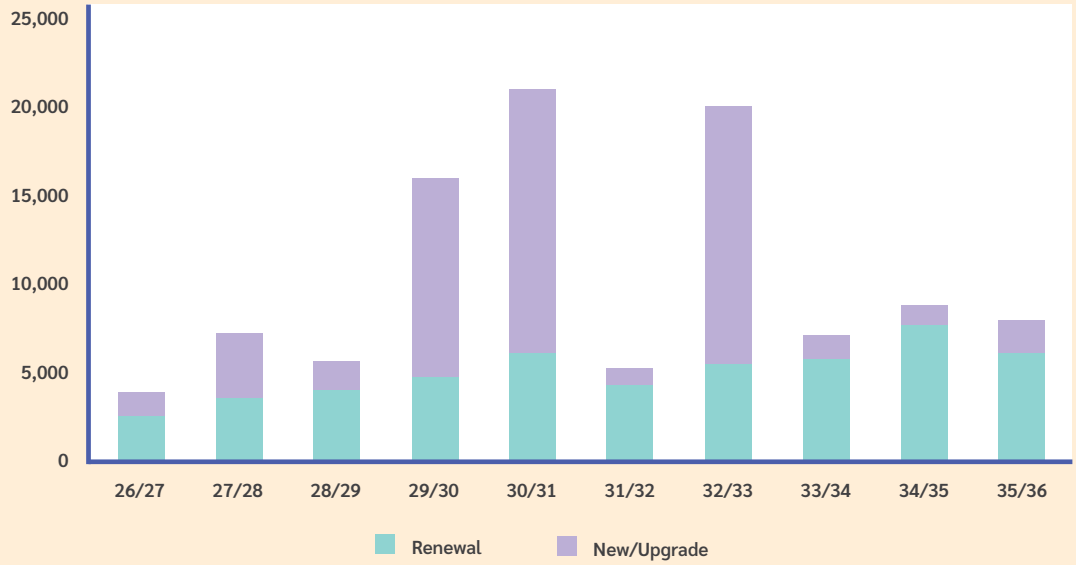
- renewal and Replacement of existing assets totalling $53m; and
- further $53m on new and upgraded assets (**Table 5**).

Table 4: Capital project program – at Nominal 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**

Figure 2: Capital Project Program – at Nominal Value





7.3 New/upgraded capital assets in detail

In order to strengthen 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)*
  - 2028–29 $500k detailed design
  - 2030–31 $9.75m construction Phase 1
  - 2032–33 $9.75m construction Phase 2
- Community and Civic Hub ($10m at today's price)*;
  - 2027–28 $500k detailed design
  - 2029–30 $9.5m construction
- Salt Creek Restoration Middle Beach ($0.2m at today's price)*; and
  - 2027–28 $200k detailed design
  - 2030–31 $1.8m construction
- 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 50% government grant funding, with Council providing the required co-contribution of 50%. 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	35/36
Footpaths	213	380	331	347	365	383	402	422	443	465
Depot Plants	278	578	55	116	122	-	603	211	-	776
Kerbings	-	614	331	347	365	383	402	422	443	465
Site Improvements	-	294	110	116	122	128	134	141	148	155
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**	**1,862**

* While the estimates given above are based on best available information in September 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 (TWTC) development.

c Income of $4.5m is assumed to be received from the developers of the TWTC, comprising $2m in Year 2 and $2.5m in Year 3. Any income beyond $4.5m has been excluded from the draft LTFP pending greater certainty regarding the timing and amount of any additional income.

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 2026/27 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.

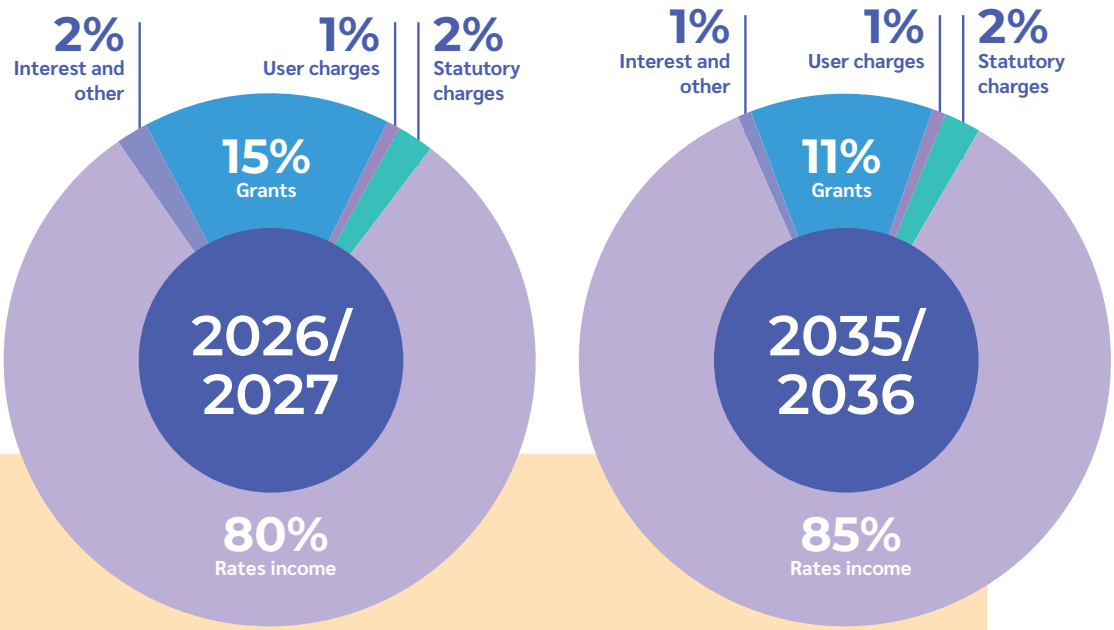


Figure 3: Distribution of operating income based on LTFP estimates

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 new borrowings over the 10-year planning period to fund its business-as-usual operations or deliver the operating projects identified in **Table 3**. However, Council may need to borrow funds to meet its 50% co-contribution towards the three major new assets, should it be successful in securing 50% government grant funding for these projects, as outlined in section 7.3 above.

Despite the potential for additional borrowings, the Net Financial Liabilities Ratio is forecast to decline over the 10-year planning period. This reflects the strong cash position projected in the draft LTFP and Council's capacity to manage the additional borrowings.



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	35/36
Debenture Loans	2,520	195	32	420	7,197	4,690	10,546	9,056	9,896	7,348
Short-term Loans	1,634	1,604	1,572	1,539	1,505	1,468	1,431	1,391	-	-
TOTAL BORROWINGS	**4,154**	**1,799**	**1,604**	**1,959**	**8,702**	**6,158**	**11,977**	**10,447**	**9,896**	**7,348**
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 INDICATORS

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

8.1 Long Term Financial Statements



ADELAIDE PLAINS COUNCIL LONG TERM STATEMENT OF COMPREHENSIVE INCOME

	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										$'000
Rates	17,558	18,658	19,750	20,974	22,350	24,147	25,925	27,956	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	253	254	254	254	254	255	255	255	256
TOTAL INCOME	**21,945**	**23,192**	**24,410**	**25,763**	**27,274**	**29,210**	**31,134**	**33,315**	**35,556**	**38,067**
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	87	72	87	356	254	487	426	403	355
Share of loss - joint ventures & associates	249	79	79	79	79	79	79	79	79	79
TOTAL EXPENSES	**21,062**	**21,484**	**22,452**	**23,502**	**24,864**	**26,360**	**28,309**	**29,531**	**30,914**	**32,398**
RECURRENT SURPLUS	**883**	**1,708**	**1,958**	**2,261**	**2,410**	**2,850**	**2,825**	**3,784**	**4,642**	**5,670**
Cost of Operating Project Expenses	(388)	(1,214)	(1,312)	(1,700)	(2,221)	(2,625)	(3,097)	(3,592)	(4,540)	(4,992)
UNDERLYING OPERATING SURPLUS/(DEFICIT)	**495**	**494**	**645**	**561**	**189**	**225**	**(272)**	**192**	**102**	**678**
Add: Income from Two Wells Strategic Land Staged Transfer	-	2,000	2,500	-	-	-	-	-	-	-
ADJUSTED OPERATING SURPLUS/(DEFICIT)	**495**	**2,494**	**3,145**	**561**	**189**	**225**	**(272)**	**192**	**102**	**678**
Asset Disposal & Fair Value Adjustments	17	103	122	132	213	118	198	200	200	200
Amounts received for new/upgraded assets	916	1,383	386	5,499	7,020	-	6,533	-	-	-
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	**6,428**	**12,979**	**9,153**	**11,692**	**12,922**	**8,343**	**12,459**	**5,892**	**5,802**	**6,378**
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**	**20,924**	**17,098**	**19,637**	**20,867**	**16,288**	**20,404**	**13,837**	**13,747**	**14,323**

ADELAIDE PLAINS COUNCIL LONG TERM STATEMENT OF FINANCIAL POSITION

	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										$'000
CURRENT ASSETS										
Cash and cash equivalents	296	298	4,177	298	297	297	298	298	298	298
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**	**2,513**	**6,392**	**2,513**	**2,512**	**2,513**	**2,513**	**2,513**	**2,514**	**2,513**
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**	**264,205**	**281,109**	**301,101**	**328,709**	**342,454**	**368,677**	**380,985**	**394,181**	**405,955**
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	195	32	420	7,197	4,690	10,546	9,056	9,896	7,348
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**	**3,333**	**3,171**	**3,559**	**10,336**	**7,828**	**13,683**	**12,193**	**13,031**	**10,483**
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**	**5,153**	**4,959**	**5,314**	**12,056**	**9,513**	**15,329**	**13,800**	**13,247**	**10,699**
NET ASSETS	**238,131**	**259,055**	**276,153**	**295,790**	**316,656**	**332,945**	**353,349**	**367,186**	**380,933**	**395,256**
EQUITY										
Accumulated Surplus	76,310	89,234	98,332	109,969	122,835	131,124	143,528	149,365	155,112	161,435
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**	**259,055**	**276,153**	**295,790**	**316,656**	**332,945**	**353,349**	**367,186**	**380,933**	**395,256**

ADELAIDE PLAINS COUNCIL LONG TERM STATEMENT OF CHANGES IN EQUITY

	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										$'000
Balance at end of previous reporting period	69,936	76,310	89,234	98,332	109,969	122,835	131,124	143,528	149,365	155,112
Net Result for Year	6,373	12,924	9,098	11,637	12,867	8,288	12,404	5,837	5,747	6,323
BALANCE AT END OF PERIOD	**76,310**	**89,234**	**98,332**	**109,969**	**122,835**	**131,124**	**143,528**	**149,365**	**155,112**	**161,435**
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**	**259,055**	**276,153**	**295,790**	**316,656**	**332,945**	**353,349**	**367,186**	**380,933**	**395,256**



ADELAIDE PLAINS COUNCIL LONG TERM STATEMENT OF CASH FLOWS

	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										$'000
RECEIPTS										
Rates - general & other	17,558	18,658	19,750	20,974	22,350	24,147	25,925	27,956	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	254	254	254	255	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)	(87)	(72)	(87)	(356)	(254)	(487)	(426)	(403)	(355)
NET CASH PROVIDED BY (OR USED IN) OPERATING ACTIVITIES	**5,911**	**8,127**	**9,195**	**7,059**	**7,168**	**7,722**	**7,782**	**8,843**	**9,397**	**10,663**
CASH FLOWS FROM INVESTING ACTIVITIES										
RECEIPTS										
Grants specifically for new or upgraded assets	916	1,383	386	5,499	7,020	-	6,533	-	-	-
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)**	**(5,769)**	**(5,122)**	**(11,293)**	**(13,910)**	**(5,179)**	**(13,600)**	**(7,314)**	**(8,845)**	**(8,115)**
CASH FLOWS FROM FINANCING ACTIVITIES										
RECEIPTS										
Proceeds from New Borrowings	-	-	-	387	6,775	-	5,855	-	-	-
PAYMENTS										
Repayments of Borrowings	(2,653)	(2,356)	(194)	(32)	(33)	(2,543)	(36)	(1,529)	(551)	(2,548)
NET CASH PROVIDED BY (OR USED IN) FINANCING ACTIVITIES	**(2,653)**	**(2,356)**	**(194)**	**355**	**6,742**	**(2,543)**	**5,819**	**(1,529)**	**(551)**	**(2,548)**
NET INCREASE (DECREASE) IN CASH HELD	**0**	**2**	**3,879**	**(3,879)**	**0**	**0**	**1**	**0**	**0**	**0**
CASH & CASH EQUIVALENTS AT BEGINNING OF PERIOD	**296**	**296**	**298**	**4,177**	**298**	**297**	**297**	**298**	**298**	**298**
CASH & CASH EQUIVALENTS AT END OF PERIOD	**296**	**298**	**4,177**	**298**	**297**	**297**	**298**	**298**	**298**	**298**

ADELAIDE PLAINS COUNCIL LONG TERM UNIFORM PRESENTATION OF FINANCES

	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										$'000
Rates	17,558	18,658	19,750	20,974	22,350	24,147	25,925	27,956	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	254	254	254	255	255	255	256
	21,945	**25,192**	**26,910**	**25,763**	**27,274**	**29,210**	**31,134**	**33,315**	**35,556**	**38,067**
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	87	72	87	356	254	487	426	403	355
Share of loss - joint ventures & associates	249	79	79	79	79	79	79	79	79	79
	21,450	**22,698**	**23,765**	**25,202**	**27,085**	**28,985**	**31,405**	**33,123**	**35,454**	**37,390**
OPERATING SURPLUS/(DEFICIT)	**495**	**2,494**	**3,145**	**561**	**189**	**225**	**(272)**	**192**	**102**	**678**
Less Grants, subsidies and contributions – Capital	(500)	(527)	(527)	(527)	(527)	(527)	(527)	(527)	(527)	(527)
ADJUSTED OPERATING SURPLUS/(DEFICIT)	**(5)**	**1,967**	**2,618**	**34**	**(338)**	**(302)**	**(798)**	**(335)**	**(424)**	**151**
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
Grants, subsidies and contributions – Capital Renewal	500	527	527	527	527	527	527	527	527	527
Proceeds from Sale of Replaced Assets	17	103	122	132	213	118	198	200	200	200
	2,900	**2,497**	**2,589**	**2,078**	**1,509**	**3,660**	**2,976**	**2,981**	**1,931**	**4,180**
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)
Amounts received specifically for New and Upgraded Assets	916	1,383	386	5,499	7,020	-	6,533	-	-	-
	(491)	**(2,184)**	**(1,213)**	**(6,425)**	**(7,992)**	**(893)**	**(8,074)**	**(1,196)**	**(1,034)**	**(1,862)**
ANNUAL NET IMPACT TO FINANCING ACTIVITIES (SURPLUS/(DEFICIT))	**2,404**	**2,279**	**3,994**	**(4,313)**	**(6,820)**	**2,465**	**(5,897)**	**1,450**	**473**	**2,469**

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 (**Figure 4**), which includes initial proceeds from the sale of land associated with the Two Wells Town Centre development (TWTC), is forecasting a positive operating surplus throughout the 10-year planning period, except in 2032/33.

Similarly, the Underlying Operating Surplus Ratio (**Figure 5**), which excludes initial proceeds from the sale of land associated with the TWTC development, also forecasts positive operating surpluses throughout the 10-year planning period, except in 2032/33. 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 4: Adjusted Operating Surplus/Deficit Ratio

LGA Recommended Range: between 0% and 10% on average over long term

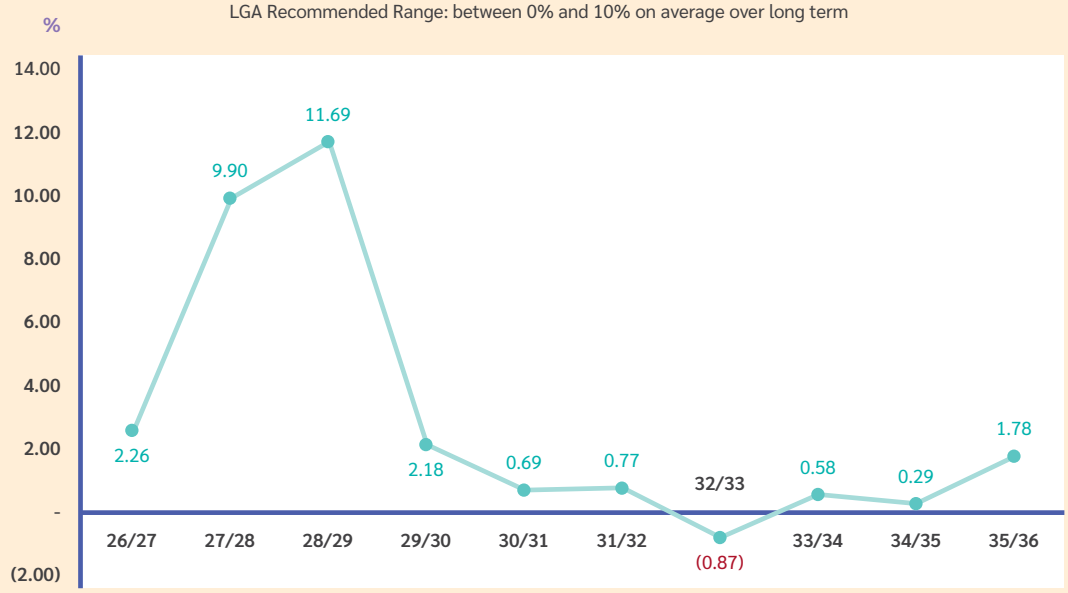
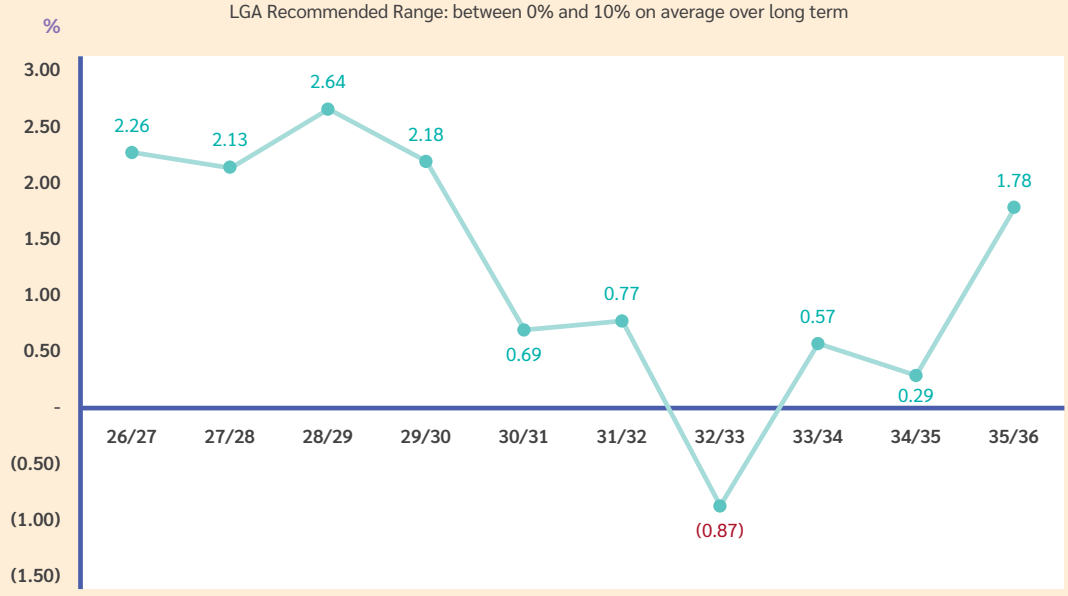


Figure 5: Underlying Operating Surplus/Deficit Ratio

LGA Recommended Range: between 0% and 10% on average over long term




LOWER LIGHT
VIA
FORD
MALLALA
KORUNYE

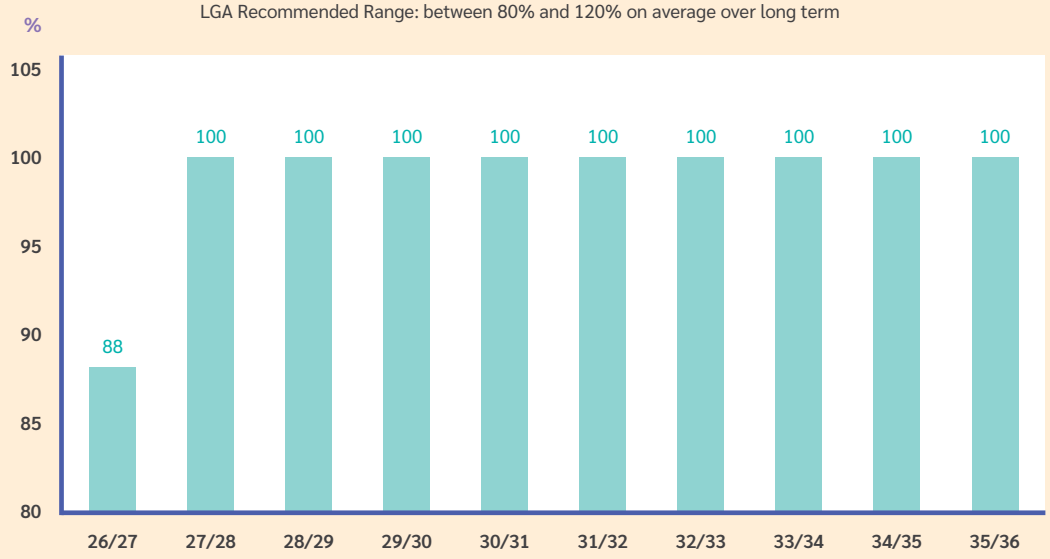
Asset Renewal Funding Ratio

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.

Figure 6: Asset Renewal Funding Ratio

LGA Recommended Range: between 80% and 120% on average over long term



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 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.

Both Adjusted (**Figure 7**) and Underlying (**Figure 8**) NFL Ratio is forecast to decline over the 10-year planning period, reflecting the strong cash position projected in the draft LTFP and Council's capacity to borrow to fund its 50% co-contribution towards the three major new projects, should Council be successful in securing 50% government grant funding for these projects.

Figure 7: Adjusted Net Financial Liabilities Ratio

LGA Recommended Range: between 0% and 100% on average over long term

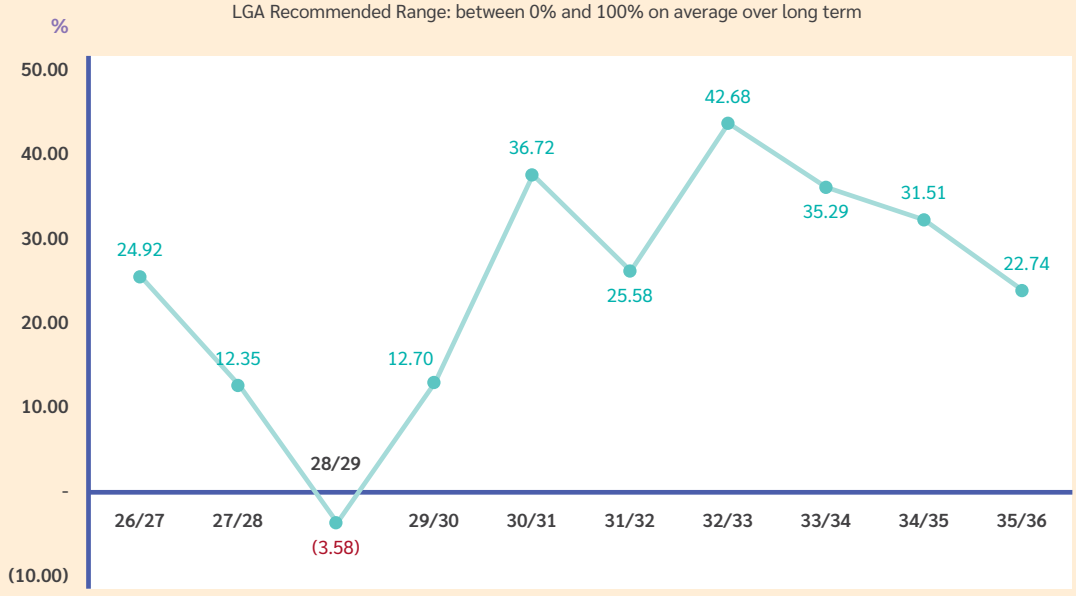
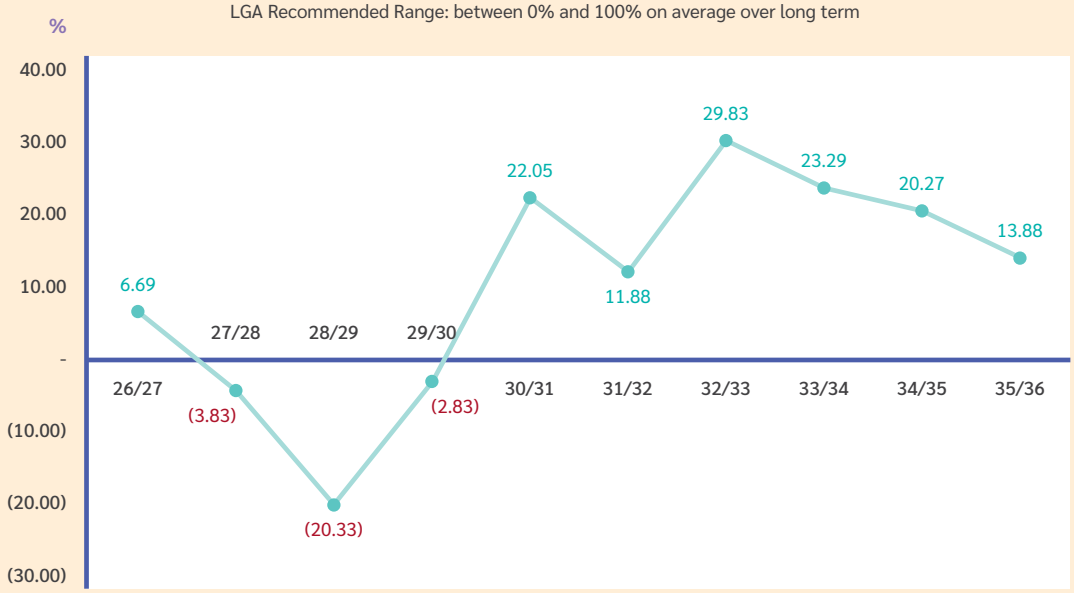




Figure 8: Underlying Net Financial Liabilities Ratio

LGA Recommended Range: between 0% and 100% on average over long term




Adelaide
Plains
Council

8.7 INTERNAL CONTROL PRACTICES & PROCEDURES

Record Number: **D26/49666**

Author: **Chief Executive Officer**

Authoriser: **Chief Executive Officer**

Attachments: **Nil**

RECOMMENDATION

"that the Audit and Risk Committee, having considered Item 8.7 – *Internal Control Practices & Procedures*, dated 4 November 2026, notes the report."

Purpose

The purpose of this report is to:

a) present Chief Executive Officer (CEO) report in relation to the policies and processes adopted by the Adelaide Plains Council (the Council) to evaluate and improve the effectiveness of its internal control practices and procedures; and

b) Provide the opportunity for the Audit and Risk Committee (the Committee) to review and comment on the report;

as required under section 126(4)(g)(ii), *Local Government Act 1999* (the Act).

Background

As part of the Local Government reforms, in consistent with other financial, governance and accountability changes that commenced on 30 November 2023, the following changes were made to the Act in relating to council internal control policies and audit and risk committees.

Role of chief executive officer

Section 99 of the Act prescribes the functions of the CEO of a council. This list of functions was expanded to include two new functions, which relate specifically to:

- ensure that effective policies, systems and procedures are established and maintained for the identification, assessment, monitoring, management and annual review of strategic, financial and operational risks *(section 99(1)(ia)* of the Act);
- report annually to the relevant audit and risk committee on the council's internal audit processes *(section 99(1)(ib)* of the Act).

Requirements under *section 99(1)(ia)* of the Act aligns with function assigned to audit and risk committees, i.e. *'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' (section 126(4)(h)*.

Internal Control Policies

Above is consistent with the new provision in section 125 of the Act - Internal control policies, which introduces a requirement for councils to *'ensure that appropriate policies, practices and procedures of internal control are implemented and maintained'*.

Functions of Audit and Risk Committee

The functions of the Committee were also expanded under section 126(4)(g) of the Act to review and comment *'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'* if the council does not have an internal audit function.

Discussion

Risk management

Council management has engaged the LGA Mutual Liability Scheme to facilitate workshops to assist in the implantation of Council's Risk Management Framework.

The status of Council's Risk Management Framework is as follows (completed actions):

- The Risk Management Policy was reviewed and recommended for Council adoption at the Committee meeting held on 10 June 2025.
- The Emergency Management Policy was also reviewed and recommended for Council adoption at the Committee meeting held on 10 June 2025.
- Subsequently, both the Risk Management Policy and the Emergency Management Policy were adopted by Council at its meeting held on 23 June 2025.
- Risk Management Framework was reviewed utilised the model framework provided by the LGAMLS. As part of the review process, consultation occurred with all staff and Council's Executive Management Team and the LGAMLS.
- The Committee at its meeting held on 11 August 2025 endorsed the updated Risk Management Framework with minor changes which the CEO has adopted in August 2025.
- Strategic Risk and Risk Appetite workshops, including training, were held with both the Executive Management Team and the Council Members with the assistance from LGAMLS between July and October 2025 for Council to develop Strategic Risk Register adopt Risk Appetite Statements, which formed part of the Risk Management Framework and ensure continuous development of Council's Risk Management.
- The Risk Appetite Statements were provided to the Committee at 12 November 2025 meeting for review.
- The Risk Appetite Statement were adopted by the Council on 24 November 2025.
- Strategic Risk Register drafted and presented to the Committee on 4 November 2026.
- Operational Risk workshops, including training, held with Council administration with the assistance from LGAMLS in October 2026 to develop Operational Risk Register.

Actions yet to be implemented in relation Risk Management Framework:

- Review and integrate risk appetite into Council's Enterprise Risk Management System.
- Develop Operational Risk Register
- Testing, assessment and review of controls.

Internal Financial controls

The Better Practice Model – Financial Internal Controls are prescribed, in Regulations, as the standard by which auditors must assess the internal financial controls of councils. This model was

updated in September 2022 to take account of minor amendments resulting from the changes to the Local Government Act.

While Council does not have an internal audit function. Council however have established an internal financial control framework to allow for ongoing self-assessment by the Council staff. This would allow for a risk-based approach – aligned to the financial and operational risks most critical to the Council – and for more robust reporting to the Committee.

Last self-assessment was completed in June 2026 with the assessment of 154 core controls across twenty-four processes. This assessment showed that most of Council's core financial controls are between 'Majority effective' and 'Effective' (an overall score of 4.96).

In addition, following the conclusion of 2025/2026 audit, Council's Auditor, Samatha Creten of DeanNewbery has issued the External Audit Completion Report with the intention to issue an unmodified audit opinion on the internal financial controls of the Council.

Regular reporting on the currency of Council policies

Council administration has been reporting to each Committee meeting on the currency of Council policies. This reporting assists the Committee to strengthen governance and oversight, manage risk and compliance, and support effective decision-making by both Council and administration. The table below shows the status of Council policies by department as 27 October 2026.

Department	Total	Overdue
Corporate Services	18	3
Finance	14	2
Development & Community	9	5
Infrastructure & Environment	15	2

Council's Fraud, Corruption, Misconduct and Maladministration Prevention Policy

This policy is critical to ensuring Council operates ethically, lawfully, and transparently, while safeguarding public funds and assets, the integrity, security and reputation of Council. The policy was first adopted in September 2023 and was supported by staff training delivered in February 2024. This policy is currently overdue and will be reviewed in 2027.

Information on Council's work health and safety compliance

Under *Work Health and Safety Act 2012 (WHS Act)*, Council is required to ensure, so far as is reasonably practicable, that workers and others are not exposed to health and safety risks arising from its operations. WHS compliance is therefore mandatory and underpins relevant Council policies and procedures.

Council received a full rebate of $78,880 from the LGA Workers' Compensation Scheme, reflecting its 100% achievement against the WHS Action Plan (100% achieved in prior year as well) through compliance with the Work Health and Safety Act.

Performance Monitoring and Reporting

Quarterly performance reviews of Work Health and Safety practices and budget (three budget reviews as required under *Regulation 9 of the Local Government (Financial Management) Regulations 2011*) are conducted and reported to the Executive Leadership Team and the Council members respectively.

In addition, a report on financial performance for the period July 2025 to January 2026 is provided to the Committee meeting held on 9 February 2026. These reviews help to identify any deviations from expected outcomes, allowing for timely corrective action.

Council's insurance program

The Act requires councils to hold civil liability insurance, which Council meets through membership in sector-based self-insurance schemes managed by the Local Government Association (LGA). These include: -

a) LGA Mutual Liability Scheme for liability risks;

b) LGA Asset Mutual Fund for Council assets and equipment;

c) LGA Workers' Compensation Scheme for workers compensation and return-to-work obligations; and

d) Local Government Income Protection Fund for employee income protection.

General infrastructure such as roads and footpaths is typically uninsured due to cost considerations.

Public Interest Disclosure Act 2018

The Public Interest Disclosure Act 2018 commenced on 1 July 2019, repealing the former *Whistleblowers Protection Act 1993*. In response, Council resolved at its Ordinary Meeting on 26 August 2019 to revoke its Whistleblower Policy and adopt a Public Interest Disclosure Procedure.

The Public Interest Disclosure Procedure is reviewed regularly by Council's CEO to ensure ongoing compliance with legislative requirements. The most recent review was completed in July 2025.

To support and inform the community, Council has established a dedicated Public Interest Disclosure webpage, providing access to relevant information and guidance (https://www.apc.sa.gov.au/our-council/contact-us/public-interest-disclosures).

Conclusion

The Local Government reforms have significantly strengthened the legislative expectations around governance, risk management and internal controls, with expanded responsibilities for the CEO and the Committee. Council has taken a proactive and structured approach to responding to these reforms and is largely compliant with the revised requirements of the Act.

Council has made substantial progress in establishing and reviewing its risk management framework, including the adoption of updated Risk Management and Emergency Management Policies, endorsement of a revised Risk Management Framework, and formal approval of Council's Risk Appetite Statements. While further work remains to embed risk appetite into Council systems, develop operational risk registers and implement and test controls, these actions are planned and will further strengthen Council's enterprise risk management maturity.

In relation to internal financial controls, Council has implemented a robust self-assessment framework aligned with the Better Practice Model, demonstrating that the majority of controls are effective. This position is further supported by the Auditor's intention to issue an unqualified audit opinion. Ongoing reporting on policy currency, performance monitoring, insurance coverage, fraud prevention, work health and safety compliance, and public interest disclosure processes provides the Committee with appropriate assurance over Council's governance and control environment.

Overall, Council has established sound systems, policies and practices to meet its statutory obligations and support effective governance, accountability and risk management. Continued focus on completing the remaining risk management actions and maintaining regular review and reporting will ensure Council remains compliant and well-positioned to manage emerging risks into the future.

References

Legislation

Local Government Act 1999

- *Section 99 – Role of chief executive officer*
- *Section 125 – Internal control policies*
- *Section 126 – Audit and risk committee*

Council Policies/Plans

Audit and Risk Committee Terms of Reference.
Audit and Risk Committee Annual Works Program 2026-2027

8.8 REVIEW - AUDITED FINANCIAL RESULTS 2025/2026 VS ADOPTED BUDGET

Record Number: **D26/49667**

Author: **Chief Financial Officer**

Authoriser: **Chief Executive Officer**

Attachments: **Nil**

RECOMMENDATION

"that the Audit and Risk Committee, having considered Item 8.8 – *Review - Audited Financial Results 2025/2026 vs Adopted Budget*, dated 4 November 2026 notes the report."

Purpose

The purpose of this report is to summarise the audited results for 2025/2026 and to provide an explanation for significant variations from the 2025/2026 adopted budget. This is in accordance with section 127 of the *Local Government Act 1999* (the Act) and regulation 10 of the *Local Government (Finance Management) Regulations 2026* (the Regulations).

Background

Pursuant to section 127 of the Act, the Council must prepare Annual Financial Statements in accordance with the Regulations. Regulation 10 of the Regulations requires Council to prepare and consider a report, no later than December 31 each year, showing the audited financial results of each item shown in the statement of comprehensive income and balance sheet of the budgeted financial statements of Council, for the previous financial year compared with the estimated financial results set out in the budget presented in a manner consistent with the Model Financial Statements.

This report must include the operating surplus ratio, net financial liabilities ratio, and asset renewal ratio for Council for the previous financial year, compared with the estimates set out in the budget, presented in a manner consistent with the Model Financial Statements.

Discussion

Council reported an operating surplus of $0.882m for the 2025/2026 financial year, representing a reduction of $0.899m compared to the adopted budget of 6 August 2025, which had forecast an operating surplus of $1.781m. The changes in operating result is primarily due to the following factors:

- $2m expected under 'Strategic Land Staged Transfer (SLST) - instalment 1' now being deferred to 2027/2028 Financial Year due to issues with the availability of portable water for the Two Wells Town Centre development project;
- Higher than budgeted Financial Assistance Grant (FAG) income resulting from the advance payment of the 2026/2027 FAG in June 2026 ($0.851m);
- Unbudgeted grant income received ($0.119m);
- Increased depreciation expenses ($0.267m above budget); and

- Lower interest expenses ($0.0.60m reduction) on short-term borrowings.

The 2025/2026 audited financial statements have been finalised, and a separate report on the annual financial statements has been provided for consideration by the Committee under Agenda Item 6.1 - Draft Audited Annual Financial Statements 2025/2026.

Statement of Comprehensive Income

Table 1 illustrates the major variances in audited income and expenses in the 2025/2026 Statement of Comprehensive Income compared to the adopted budget.

Table 1: Statement of Comprehensive Income

Description	2025/2026 Actual	2025/2026 Budget	Favourable/ (Unfavourable)	
	$	$	$	%
INCOME				
Rates	16,342,886	16,172,664	170,222	1
Statutory charges	587,429	603,700	(16,271)	(3)
User charges	257,015	263,060	(6,045)	(2)
Grants, subsidies and contributions	4,001,099	3,025,960	975,139	32
Investment income	17,430	5,500	11,930	217
Reimbursements & Other Income	404,456	2,353,227	(1,948,771)	(83)
Total Income	**21,610,315**	**22,424,111**	**(813,796)**	**(4)**
EXPENSES				
Employee costs	7,748,456	7,820,663	72,207	1
Materials, contracts & other expenses	7,571,854	7,686,730	114,876	1
Depreciation, amortisation & impairment	4,762,218	4,495,000	(267,218)	(6)
Finance costs	496,445	556,124	59,679	11
Net loss - equity accounted Council businesses	149,119	85,000	(64,119)	(75)
Total Expenses	**20,728,092**	**20,643,517**	**(84,575)**	**(0)**
OPERATING SURPLUS	**882,223**	**1,780,594**	**(898,371)**	**(50)**
Asset disposal & fair value adjustments	(58,720)	566,000	(624,720)	(110)
Grants for new or upgraded assets	551,215	0	551,215	-
Physical resources received free of charge	194,500	5,000,000	(4,805,500)	(96)
NET SURPLUS	**1,569,218**	**7,346,594**	**(5,777,376)**	**(79)**
Other Comprehensive Income				
Changes in revaluation surplus	10,726,926	10,000,000	726,926	7
Total Other Comprehensive Income	10,726,926	10,000,000	726,926	7
TOTAL COMPREHENSIVE INCOME	**12,296,144**	**17,346,594**	**(5,050,450)**	**(29)**

The reasons for the major variances in 2025/2026 income and expenses compared to the adopted budget are explained below.

Description	2025/2026 Actual	2025/2026 Budget	Favourable/ (Unfavourable)	
	$	$	$	%
Rates	**16,342,886**	**16,172,664**	**170,222**	**1**
Income from fines and interest on overdue Council rates was higher than budgeted.			23,181	
Income from the Kerbside Waste Collection Service Charge exceeded the budget, primarily due to new waste service applications approved after the budget was adopted.			29,457	
General rates income was higher than budgeted mainly due to the reversal of capping rebates for properties sold during the 2025/2026 Financial Year and properties not eligible for capping.			84,569	
Income from augmentation fees relating to the Mallala Community Wastewater Management Scheme was not included in the budget.			32,727	
Statutory Charges	**587,429**	**603,700**	**(16,271)**	**(3)**
Income from wastewater approvals decreased due to a reduction in wastewater inspections and applications assessed.			(54,672)	
Revenue from dog registrations and infringements has been lower than budgeted due to reduction in dog registrations.			(11,758)	
Income from development applications increased by $42,620, primarily due to the budget being underestimated.			42,620	
Fines and infringements income related to parking, health, fire, nuisance, and litter has been $8,738 higher than budgeted.			8,738	
User Charges	**257,015**	**263,060**	**(6,045)**	**(2)**
Income from cemetery operations (including cremation leases, burial leases, and burials) was also below expectations.			(16,286)	
Income from the Two Wells Waste Transfer Station was higher than budgeted.			12,894	
Income from rate searches exceeded expectations due to an increase in the number of Section 7 searches processed.			10,812	
Grants, Subsidies and Contributions	**4,001,099**	**3,025,960**	**975,139**	**32**
The actual Financial Assistance Grant (FAG) received for 25/26 was higher than budgeted due to: o The brought-forward payment of 80% of the 2026/27 FAG which was 50% in 2024/2025; and o The 2025/2026 FAG allocation (including an adjustment for underpayment in 2024/2025) being higher than expected.			851,469	
Council also received several unbudgeted grants after the adoption of the 25/26 Annual Business Plan and Budget (TW CWMS Concept design $46,688, Waste Education Program $31,818, Two Wells Library $15,000. LGRS Risk Incentive Program $20,736 & Algal Bloom Mental Wellbeing Gran $5,000)			119,242	
Investment Income	**17,430**	**5,500**	**11,930**	**217**
Reimbursements & Other Income	**404,456**	**2,353,227**	**(1,948,771)**	**(83)**
$2m expected under 'Strategic Land Staged Transfer (SLST) - instalment 1' now being deferred to 2027/28 FY due to issues with the availability of portable water for the Two Wells Town Centre development project			(2,000,000)	
Reimbursement from the developer for water use on open space area during maintenance period			26,761	

Council received a reimbursement of cost of valuation in relation to a road reserve sold in August 2026 ($3,650) and road closure ($17,993)			21,643	
TOTAL INCOME	**21,610,315**	**22,424,111**	**(813,796)**	**(4)**
Employee Costs	**7,748,456**	**7,820,663**	**72,207**	**1**
Total employee costs are largely within the budget				
Materials, Contracts and Other Expenses	**7,571,854**	**7,686,730**	**114,876**	**1**
Total materials, contracts and other expenses are largely within the budget				
Depreciation, Amortisation and Impairment	**4,762,218**	**4,495,000**	**(267,218)**	**(6)**
The impact of the comprehensive revaluation of building, open space, transport, stormwater and bridge assets as of 1 July 2024 on depreciation expense was not known when the 2025/2026 budget estimates were prepared. Consequently, the depreciation expense was underbudgeted in 2025/2026.				
Finance Costs	**496,445**	**556,124**	**59,679**	**11**
Interest expenses for the year were lower than budgeted due to Council not drawing short-term borrowings anticipated in the 2025/2026 adopted budget, resulting in savings on interest costs.				
Net Loss - Equity Accounted Council Business	**149,119**	**85,000**	**(64,119)**	**(75)**
Council's share of GRFMA's operating loss for 2025/2026 has been higher than budgeted				
TOTAL EXPENSES	**20,728,092**	**20,643,517**	**(84,575)**	**(0)**

Statement of Financial Position

The audited Statement of Financial Position for Council is presented below, compared to the adopted budget.

Table 2: Statement of Financial Position as at 30 June 2026

Description	30 June 2026 Actual	30 June 2026 Budget	Favourable/ (Unfav.)	
	$	$	$	%
ASSETS				
Current Assets				
Cash and cash equivalents	300,586	423,107	(122,522)	(29)
Trade & other receivables	2,716,335	1,031,000	1,685,335	163
Inventories	465,590	154,000	311,590	202
Total Current Assets	**3,482,510**	**1,608,107**	**1,874,403**	**117**
Non-current Assets				
Equity accounted investments in GRFMA	10,455,780	5,394,318	5,061,462	94
Infrastructure, property, plant & equipment	214,374,080	199,086,123	15,287,958	8
Other non-current assets	2,782,215	500,000	2,282,215	456
Total Non-current Assets	**227,612,076**	**204,980,441**	**22,631,635**	**11**
Total Assets	**231,094,586**	**206,588,548**	**24,506,038**	**12**

LIABILITIES				
Current Liabilities				
Trade & other payables	3,379,469	1,353,000	(2,026,469)	(150)
Borrowings	27,715	6,784,499	6,756,784	100
Provisions	1,835,622	1,009,000	(826,622)	(82)
Total Current Liabilities	**5,242,806**	**9,146,499**	**3,903,693**	**43**
Non-current Liabilities				
Borrowings	6,829,596	1,663,599	(5,165,997)	(311)
Provisions	302,783	216,000	(86,783)	(40)
Total Non-current Liabilities	**7,132,379**	**1,879,599**	**(5,252,780)**	**(279)**
Total Liabilities	**12,375,185**	**11,026,098**	**(1,349,087)**	**(12)**
NET ASSETS	**218,719,401**	**195,562,450**	**23,156,950**	**12**
EQUITY				
Accumulated Surplus	64,158,627	66,955,451	(2,796,824)	(4)
Asset Revaluation Reserves	154,480,438	128,527,000	25,953,438	20
Other Reserves	80,336	80,000	336	0
TOTAL EQUITY	**218,719,401**	**195,562,450**	**23,156,950**	**12**

Total Assets

Council's total asset base has increased by $25m over the adopted budget due to a combination of factors:

a) The carrying value Infrastructure, Property, Plant and Equipment as of 30 June 2025 being understated in the adopted budget by $24m as the value of revaluation increase following the comprehensive assets revaluation for 2024/2025 was not accounted in the budget estimates.

b) The adopted budget estimated donated assets at $5m based on the prior year's value of donated assets. The Council received $0.194m in donated assets during the 2025/2026 financial year, resulting in a variance of $4.806m.

c) Actual depreciation expense was higher than budgeted by $0.267m for the 2025/2026 financial year.

d) The impact of the revaluation of fixed assets was budgeted at $10m, whereas the actual revaluation impact was $10.726m.

e) Increase in rubble stocks as of 30 June 2026 by $0.312m.

f) Value of Council's investment in GRFMA has been under budgeted by $5.061m as the value of assets revaluation increase for 2023/2024 was not accounted in the budget estimates.

g) Higher than budgeted Trade & other receivables by $1.685m.

Total Liabilities

Total liabilities have increased by $1.349m, primarily due to the adopted budget understating short-term borrowings as at 30 June 2025 compared with the actual balance at that date.

Financial Indicators

Audited actual financial indicators compared to the adopted budget are presented below in **Table 3.** This shows that the Council exceeded its financial targets for all ratios.

a) The reduction in operating results, as explained earlier, has resulted in an underlying/adjusted operating deficit ratio of -0.6%, compared to a budgeted operating deficit ratio of -0.85%.
b) The increase in the Net Financial Liabilities (NFL) Ratio is primarily attributable to the lower than budgeted operating income and higher than budgeted total liabilities.
c) The Assets Renewal Funding Ratio is approximate to the budgeted ratio, which shows Council's commitments to maintain its existing assets base.

Table 3: Financial Indicators for 2025/2026 (%)

	Audited Actual 2025/2026	Adopted Budget 2025/2026
Underlying Operating Surplus Ratio	(0.6)	(0.85)
Underlying Net Financial Liabilities Ratio	55	27
Asset Renewal Funding Ratio	112	115

Conclusion

Council achieved an operating surplus of $0.882m for the 2025/2026 financial year, which was $0.898m below the adopted budget, primarily due to the deferral of the $2m 'Strategic Land Staged Transfer Instalment 1' to 2027/2028. This was partially offset by higher-than-budgeted Financial Assistance Grant income and lower finance costs.

Despite the operating surplus being below budget, Council's audited financial statements show a stronger asset position than anticipated, primarily due to the impact of asset revaluations and the recognition of previously understated asset values in the adopted budget. Total liabilities were $1.349m higher than budgeted, mainly due to the understatement of short-term borrowings in the adopted budget.

Council achieved its financial targets for all three financial indicators, with an underlying operating surplus ratio of -0.6%, a Net Financial Liabilities Ratio of 55% and an Asset Renewal Funding Ratio of 112%.

The audited financial results provide an overview of Council's financial performance and position for 2025/2026 and highlight the importance of incorporating updated asset valuations, realistic revenue assumptions and accurate borrowing estimates into future budget preparation.

References

Legislation

Local Government Act 1999

- *Section 127 – Financial Statements*

Local Government (Financial Management) Regulations 2026

- *Regulation 10 - Report on financial results*

Council Policies/Plans

Audit and Risk Committee Terms of Reference.

Audit and Risk Committee Working Program 2026/2027

9 QUESTIONS WITHOUT NOTICE

10 MOTIONS WITHOUT NOTICE

11 URGENT BUSINESS

12 CONFIDENTIAL ITEMS

12.1 UPDATE - COUNCIL OWNED UNITS

It is the recommendation of the Chief Executive Officer that the update regarding Council Owned Units 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:

2. 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;**
- **Acting Director Corporate Services;**
- **Director Infrastructure & Environment;**
- **Manager Governance;**
- **Executive Assistant to the CEO/Mayor; and**
- **Governance Administration Officer/Minute Taker;**

be excluded from attendance at the meeting of Council for Item 12.1 - *Update - Council Owned Units.*

2. The Audit and Risk Committee is satisfied that pursuant to section 90(3)(b) of the *Local Government Act 1999,* Item 12.1 - *Update - Council Owned Units* concerns commercial information of a confidential nature, the disclosure of which could reasonably be expected to confer a commercial advantage on a person with whom Council is proposing to conduct business and/or prejudice the commercial position of Council and would, on balance, be contrary to the public interest on the basis it would involve disclosure of a proposal by a third party with whom Council is considering doing business with prior to any agreement; and

3. The Audit and Risk Committee is satisfied that the principle that 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 12.1 – *Update – Council Owned Units* in confidence under sections 90(2) and (3)(b) of the *Local Government Act 1999*, resolves:

1. **That the report pertaining to Item 12.1 – *Update – Council Owned Units*, 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."**

12.2 PRUDENTIAL ISSUES REPORT - COMMUNITY AND CIVIC HUB

It is the recommendation of the Chief Executive Officer that the prudential issues report for the Community and Civic Hub 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;**
   - **Acting Director Corporate Services;**
   - **Director Infrastructure & Environment;**
   - **Manager Governance;**
   - **Executive Assistant to the CEO/Mayor; and**
   - **Governance Administration Officer/Minute Taker;**

   be excluded from attendance at the meeting of Council for Item 12.2- *Prudential Issues Report - Community and Civic Hub*;
2. **The Audit and Risk Committee is satisfied that pursuant to section 90(3)(d) of the *Local Government Act 1999,* Item 12.2 - *Prudential Issues Report - Community and Civic Hub* concerns information of a confidential nature, the disclosure of which would involve the unreasonable disclosure of commercial information (not being a trade secret) which would, on balance, be contrary to the public interest; and**
3. **The Audit and Risk Committee is satisfied that the principle that 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 12.2 – *Prudential Issues Report – Community and Civic Hub* in confidence under sections 90(2) and (3)(d) of the *Local Government Act 1999*, resolves:

1. That:

- **the report;**
- **Attachment 1; and**
- **Minutes;**

pertaining to Item 12.2 – *Prudential Issues Report – Community and Civic Hub*, 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."

13 NEXT MEETING

3 February 2027

14 CLOSURE